DECLARATION

I, Agu Afamuefuna Philemon, a Post Graduate Student in the Department of Management with

Registration Number PG/Ph.D/06/45603 hereby declare that the work incorporated in this thesis

is original and has not been submitted in part or in full for any other Diploma or Degree of this or

any other University.

…………………………

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APPROVAL

This is to certify that this thesis is undertaken by Agu, Afamuefuna Philemon with Registration Number PG/Ph.D/06/45603 and has been prepared in accordance with the policies and regulations governing the requirements for the award of Ph.D in management of the University of Nigeria Nsukka.

……………………………..
Prof. U.J.F Ewurum
Supervisor

………………………………….
Dr. V.A Onodugo
Head of Department

DEDICATION

To

God Almighty who is the sustainer of my life.

To

My immediate family Nneka Chidimma my lovely wife, Philip, Jesse, Worthy and others

yet unborn -Beloved, Dear, and Lovely children,.

And

To

The memory of my father late Chief Pa Philip Agunwoko (JP). (Continue to rest in peace)

AGU AFAM PHILEMON

JULY, 2014

ACKNOWLEDGEMENTS

Finally, the researcher does not claim absolute originality for all the ideas proffered in this work. The researcher has made consultations on other research works, books, scholastic publications and practitioners in the field and others. It is therefore the author's considered opinion to acknowledge all these myriad contributions in all other walks of life and field of organizational culture and performance whose works have been made use of in this thesis. If by any omission or commission any work is not referenced, the researcher equally remains indebted to the source.

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ABSTRACT

This study is on organizational culture and performance in manufacturing industry in South Eastern Nigeria. The objective of the study is to strengthen the organization's culture to enhance the organizational commitment to performance. This study was centered in five states of South Eastern Nigeria (Enugu, Ebonyi, Abia, Anambra and Imo) selected through stratified sampling technique. The methodology of the study was descriptive survey research design. The instruments used for data collection were the combination of oral interview and questionnaire structured in line with 5-point Likert scale, interview schedule and research findings from available related literature. From a population of one thousand one hundred and eight (1,108), a sample size of five hundred and eight (508) was acquired. Management and subordinates were issued questionnaire with 81% response rate. The result of the study showed that there is existence of a significant culture – performance relationship in enhancing organizational performance through employee's commitment with right attitude to the objective(s) of the organization. Also the result proved that organizational culture reduces ambiguity in the organization for effective performance. The conclusion of this study is that organizational culture promotes the consistency to employee attitude towards performance through job satisfaction which is positively associated with the degree to which employees fit into both the overall culture and subculture in which they work. The recommendation of the study is that transactional, transformational and effective leaders should foster, support and sustain organizational cultures that facilitate the type of management reforms envisioned to developed skills that enable them improve their performance in organizations effectively and efficiently.

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ORGANIZATIONAL CULTURE AND PERFORMANCE IN MANUFACTURING INDUSTRY IN SOUTH EASTERN NIGERIA

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CHAPTER ONE

INTRODUCTION

1.1   BACKGROUND OF THE STUDY

Although the concept of organizational culture was popularized in the early 1980s, its roots can be traced back to the early human relations view of organizations that originated in the 1940s. Human relations theories viewed the informal, nonmaterial, interpersonal, and moral bases of cooperation and commitment as perhaps more important than the formal, material and instrumental controls stressed by the rational system theorists. The human relations perspective drew its inspiration from even earlier anthropological and sociological work on culture associated with groups and societies (Geerts,2000; Mead, 1998; Durkheim, 2000; Weber, 2007, 2008).

Attention to organizational culture lost ground as organizational science, and social science in general became increasingly quantitative. To the extent that research on organizational culture survived, its focus shifted to its more measurable aspects, particularly employee attitudes and perceptions and/or observable organizational conditions thought to correspond to employee perceptions (i.e. the level of individual involvement, the degree of delegation, the extent of social distance as implied by status differences, and the amount of coordination across units). This research, referred to as organizational climate studies, was prominent during the 1960s and 1970s (Denison, 2000).

This renewed interest in organizational culture represented a return to the early organizational literature but it went far beyond this literature in contributing important new insights and ways of thinking about the role, importance and characteristics of organizational culture. Also, research

on the effect of culture on organizational performance and investigations into how organizational culture are created, maintained, and changed received greater attention. The main difference was that organizational culture was now viewed less as a natural, organically emergent phenomenon and more as a manipulable and manageable competitive asset.

Manufacturing started in Nigeria in 1946. Consequent to the aforesaid, Nigerian Breweries Plc, the Pioneer and largest brewing company in Nigeria, was incorporated in 1946 and recorded a landmark when the first bottle of **Star** Larger Beer rolled off the bottling lines in its Lagos brewery in June 1949. This was followed by Aba brewery which was commissioned in 1957, Kaduna brewery in 1963 and Ibadan brewery in 1982. In September 1993, the company acquired its fifth brewery in Enugu while in October 2003, a sixth brewery, sited at Ama Green field in Enugu State was commissioned. Ama brewery is the biggest brewery in Nigeria and the most modern in the world. Thus, from its humble beginning in 1946, the company now has five operational breweries from which its high quality products are distributed to all parts of this country.

An organization's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavours, (Kanter,1980). The founders of an organization traditionally have a major impact on that organization's early culture. They have a vision of what the organization should be. They are unconstrained by previous customs or ideologies. The small size that typically characterizes new organizations further facilitates the founders' imposition of their vision on all organizational members. Culture creation occurs in three ways. First, founders hire and keep only employees who think and feel the same way they do. Second, they indoctrinate and socialize these

employees to their way of thinking and feeling. And finally, the founders' own behaviour acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values and assumptions. When the organization succeeds, the founders' vision becomes seen as a primary determinant of that success. At this point, the founder's entire personality becomes embedded in the culture of the organization.

The culture at Hyundai, the giant Korean conglomerate, is largely a reflection of its founder Chung Ju Tung. Hyundia's fiercely competitive style and its disciplined, authoritarian nature are the same characteristics often used to describe Chung. Other contemporary examples of founders who have had an immeasurable impact on their organization's culture would include Bill Gates at Microsoft, Ingvar Kampard at the furniture retailer IKEA, Gerry Harvey of Harvey Norman retail stores and Richard Branson at the Virgin group.

Kilmann (2000) opines that culture in the organizational context can be described as the collective behaviour or styles of people, their attitude towards various constituents of business such as customers, co-workers, share-holders and so on and so forth and the common values that they share among themselves, which in fact acts like a binding force between them. One is actually observing the culture of an organization, when he or she is using words such as handworking, friendly, professional, ethical etc to describe the general behaviour of the people. The culture decisively influences the priorities set by the organization, as it is the underlying value system in the organization that emphasizes things like customer focus, innovation, cost reduction, strong alliances, empowerment and control in response to the various business stimuli.

Deal and Kennedy (2000) posit that typically, culture building starts with the tenets of conduct valued by the founders and over time people develop a particular point of view of running the day – to – day operations. Certain traits and patterns of behaviour can be seen to develop based on what is encouraged by leaders at different levels. Patterns of behaviour typical to a company have their origin in the solutions that worked for the company in the past. Repeated success with a set way of working, gives rise to certain ideas and behaviours which gets embedded in the culture of the company. It is easy to conclude that past performance and success shapes organizational culture.

Armstrong (2000) opines that culture enables people to see the goal alignment and motivates them to higher levels of performance, as shared values make people feel good about the organization and commit their capability and potential sincerely for the company. Such strong culture acts like intrinsic motivator. Empowerment, decisiveness, learning attitude, and team working are some of the attributes of strong organizational culture. Culture at this level is the real driver for superior performance and a definite source of competitive advantage that is very difficult for competitors to emulate. Toyota Lean production system is as much of tools, systems and processes as it is of the culture of the people there. Many companies have tried to copy the famed production system but none could do it with the same effectiveness. The reason – companies could copy the management system in place but not the underlying cultural strength rooted deep in the business philosophy of the company – understanding customer value, identifying value stream, one piece flow, pull system and striving for excellence.

Jones and George (2007) posit that personality is a way of understanding why all managers and employees, as individuals, characteristically think and behave in different ways. However, when

people belong to the same organization, they often tend to share certain beliefs and values that lead them to act in similar ways. **Organizational culture** comprises the shared set of beliefs, expectations, values, norms and work routine that influence how members of an organization relate to one another and work together to achieve organizational goals. In essence, organizational culture reflects the distinctive ways organizational members go about performing their jobs and relating to others inside and outside the organization. It may, for example, be a distinctive way in which customers in a particular hotel are treated from the time they are greeted at check-in until their stay is completed; or it may be the shared work routines that research teams use to guide new product development. When organizational members share an intense commitment to cultural values, beliefs, and routines and use them to achieve their goals, a *strong* organizational culture exists. When organizational members are not strongly committed to a shared system of values, beliefs, and routines, organizational culture is *weak*.

The stronger the culture of an organization, the more one can think about it as being the "personality" of an organization because it influences the way its members behave. Organizations that possess strong culture may differ on a wide variety of dimensions that determine how their members behave toward one another and perform their jobs. For example, organizations differ in terms of how members relate to each other (e.g; formally or informally), how important decisions are made (e.g. top-down or bottom-up), willingness to change (e.g; flexible or unyielding), innovation (e.g; creative or predictable), and playfulness (e.g; serious or serendipitous). In an innovative design firm like IDEO Product Development in Silicon Valley, employees are encouraged to adopt a playful attitude to their work, look outside the organization to find inspiration, and adopt a flexible approach towards product design that uses multiple perspectives. IDEO's culture is vastly different from that of companies such as Citibank and Exxon Mobil, in which employees treat each other in a more formal or deferential way,

employees are expected to adopt a serious approach to their work, and decision making is constrained by the hierarchy of authority. Managers of different kinds of organizations deliberately cultivate and develop the organizational values and norms that are best suitable to their task and general environment, strategy, or technology. Organizational culture is maintained and transmitted to organizational members through the value of founder, the process of socialization, ceremonies and rites and stories and language.

The bases of phenomenon that make the understanding of different groups or people that comes together to pursue a common objectives is culture. The term culture refers to as a general state or habit of mind closely allied to human perception. A cultured employee could be one who in character, behaviour, speech and comportment could not be impeached but whose image and personality are examples to most members or groups of the organization. Culture is those vast apparatus, partly material and partly spiritual and partly human by which human societies are organized into permanent and recognizable groupings. In organization level, culture is described as the aggregate of the social, ethnical, intellectual, artistic, governmental and industrial attainments characteristics of a group, state or nation and compared with other groups or nations. Many writers and scholars hold the belief that culture is the totality of the way of life evolved by a people in their attempts to meet the challenge of living in their environment, which gives order and meaning to their social, political, economic, aesthetic and religious norms and modes of organization thus distinguishing a people from their neighbours. So culture determines the normative, cognitive, value, production and authoritative systems of an organization. Culrure regulates lives as well as interactions among its members and components. Organizations as described by some authorities are seen as two or more people who work together in a structured manner to achieve a specific goals or set of goals.

A high degree of organization performance is related to an organization, which has a strong culture with well integrated and effective set of values, beliefs and behaviours (Cameron and Quinn, 2000; Deal and Kennedy, 2000; Dennison, 2000; Juechter and Fisher, 2008; Kotter and Heskett, 2002). However, many researchers noted that culture could remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions. Furthermore, the culture must not only be extensively shared, but it must also have unique qualities, which cannot be limited (Lewis, 2008; Lim, 1995; Ouchi, 2001; Pascale and Athos, 1981). Several empirical studies have supported the positive link between culture and performance (Calori and Sarnin, 2001; Gordon and Ditomaso, 2002; Kotter and Heskett, 2000). Moreover, there are recent studies done by Chatman and Jehn (2004), Dennison and Mishuman resource management a (2005) and Kotter and Heskett (2000), which have contributed significantly to the field of culture and performance studies whereby culture is being treated as variable for a specific research purpose. For example, Dennison and Mishuman resource management a (2005), utilizing a more rigorous methodology, discovered that cultural strength was significantly correlated with short-term financial performance. Schneider (1990) also found that the organizations focusing clearly on the cultures are more successful. It is because focused cultures provide better financial returns, which include higher return on investment (ROI), higher return on assets (ROA) and higher return on equity (ROE). The finding of the study also has been reported that industry moderates the link between corporate culture and performance (Gordon and Christesen, 2003). These findings have advanced understanding of the determinants and performance effects of corporate culture; but they go away unreciprocated and applicability of existing results across national boundaries.

Some aspects of corporate culture may enhance performance in one national setting, but they may not be effective, and may even be dysfunctional, in another (Chow, Kato and Merchant, 2006; Lincoln and Kalleberg, 2000; Steers, 2009). Thus, one of the main reasons for the common popularity and interest in the study of organizational culture is due to the argument or assumption that certain organizational cultures lead to superior organizational performance. Organizational culture facilitates the acceptable solution to know the problems, which members learn, feel and set the principles, expectations, behaviour, patterns and norms that promote high level of achievement (Marcoulides and Heck, 2003; Schein, 2002). It has been observed that in many foreign based organizations, business-oriented values are derived consciously and unconsciously from the culture of its founder (Asma, 2006). In a similar vein, Harrison (2004) alludes that the organizational cultures may vary based on the role, power structure and the capacity to manage organizations by the expatriate managers who bring their own national cultures to the workplaces. For example, American cultural values have affected the Exxon Mobil, IBM and Dupont. Meanwhile, Japanese cultural values pervade Mitsuibushi, Hitatchi, Sony and Nissan. These organizations bring along their cultural baggage in the form of systems, procedure and techniques, similar to their home country wherever they do business and continue to function. For instance, Japanese culture is more concerned about the collectivism, life-long commitment to their work places. On the other hand, the American corporations place a great emphasis on individual-based reward system rather than group rewarding (Asma, 2006).

Furthermore, Kotter and Heskett (2002) found that companies with "adaptive values" are strongly related with superior performance over a long period of time as compared to just short-term performance. This has been also supported by both Collins and Porras (2000) and De Geus

(2007) in their work in long lived, financially successful companies. Thus in studying the relationship between culture and performance, it is vital that both financial and non-financial measures are used to get a more comprehensive result (performance). The idea of viewing organizations as cultures where there is a system of shared meaning among members is a relatively recent phenomenon. Twenty years ago, organizations, in the most part, were simply thought of as rational means by which to coordinate and control a group of people. They had vertical levels, departments, authority relationships and so forth, but organizations are more. They have personalities too, just like individuals. They can be rigid or flexible, unfriendly or supportive, innovative or conservative. Organizational theorists, in recent years, have begun to acknowledge this by recognizing the important role that culture plays in the lives of organization members. Interestingly, though, the origin of culture as an independent variable affecting an employee's attitude and behaviour can be traced back nearly 50 years ago to the notion of institutionalization.

When an organization becomes institutionalized, it takes on a life of its own, apart from its founders or any of its members. For example, Ross Perot created Electronic Data System (EDS) in the early 1960 but he left in 1987 to found a new company, Perot systems. EDS, now part of General Motors, has continued to thrive inspite of the departure of its founders. Additionally, when an organization becomes institutionalized, it becomes valued for itself, not merely for the goods or services it produces. It acquires immortality. If its original goals are no longer relevant, it does not go out of business. Rather, it redefines itself. For example, when the demand for Timex's watches declined, the company merely redirected itself into the consumer electronics business making, in addition to watches, clocks, computers and health-care products such as

digital thermometers and blood pressure testing devices. Timex took on an existence that went beyond its original mission to manufacture low-cost mechanical watches. Institutionalization operates to produce common understanding among members about what is appropriate and fundamentally, meaningful behaviour. So when an organization takes on institutional permanence, acceptable modes of behaviour becomes largely self-evident to its members. As could be seen, institutionalization does the same thing as organizational culture. So an understanding of what makes up an organization's culture, and how it is created, sustained and learned, will enhance our ability to explain and predict the behaviour of people at work into performing creditably in the production/manufacturing of their products.

Finally, organizational culture develops in different ways thus;

- Over a period of time

- Through visionary leaders

- Around critical incidents

- From the need to maintain effective working relationship among organization members

- By the influence of the organizations environment.

The indices with which to measure culture includes customer satisfaction, sales growth, market share competitive advantage and sales volume. Also to measure culture the following should be considered, competitive culture, innovative culture, bureaucratic culture and community culture. These are based on the fact that organizational culture facilitates the acceptable solution to know the problems, which members learn, feel and set the principles, expectations, behaviours,

patterns and norms that promote high level of achievement. An integrated organizational culture reduces the uncertainty and ambiguity experienced in an environment and maintains an organizations operating capacity. That is why cultures are historically developed, socially maintained and individually interpreted. Based on the above, the attributes to organizational culture and performance relationship will be on the attributes of individual's capability development, team orientation and empowerment.

1.2   STATEMENT OF THE PROBLEM

The intensification of research on organizational effectiveness has led to the identification of several organizational factors that have an influential role in the determination of organizational performance. Organizational culture is one such factor that has received much attention in organizational behavior. In the effort to understand the forms and consequences of organizational culture, the researcher has explored how various internal processes such as individual and organizational selection and socialization, characteristics of powerful members such as the organization's founder or group of members influence the content and intensity of the consensus that exists about organizational values. Although several studies have focused on identifying the value dimensions that characterize an organization's culture, only a few have investigated the extent to which an organization's values affect performance. It is believed that organizational performance can be measured using capital market and financial indicators vis-à-vis several latent variables such as organizational structure, organizational values, task organization, climate, individual's values, beliefs and leadership styles as seen in manufacturing industry like Hyundai, Ingvar Kampard and so on. This study is embarked upon to look into the exogenous

and endogenous cultural and human impediments that affect culture-performance relationships in the manufacturing industry such as Nigerian Breweries Plc, PZ Plc and Chuks International Plc, which among others are to pry into the human indices responsible for poor performance standard of most manufacturing organizations with a view to reversing them, culture and its compatibility with the type of industry, the degree of influence of organizational culture on the various cultural backgrounds in the workplace as against productivity, the welfare and performance reward culture of the organizations, adaptability of organizational culture to technological and innovative changes in the competitive environment.

In view of this, since organizational culture is a rational instrument designed by top management to shape the behaviour of the employees in purposive way, it becomes imperative to investigate the problems militating against organizational culture that cause ambiguity, inconsistency and bad leadership that affects organizational diversity for effective performance as it affects manufacturing industry in South Eastern and the extent to which an effective organizational culture can enhance the productivity of the workforce and the organization at large.

In our industry today, organizational culture has been seen as the normative glue that binds the organization with their environment, interaction, adaptation, shared goals/values and integration of activities in line with the workforce. But in this context, culture functions as a means of achieving organizational objective (performance), despite this, there are several confusion, misconception and different contradiction in what writers, employees and managers view organizational culture to be. Beside the contending issues on the nature of organizational culture and performance, there are various factors or elements that impair the actual expectations and

outcome of it. While in a situation where organizational culture is practicable, the problem of measuring or assessing the impact or influence on employees remains a key threat. Because when there is team cohesion, increase in employee morale and positive alignment to organizational goals the organization receives favourable impact on output/performance but at negative tune, reverse becomes the case.

This study is to investigate therefore the remote and immediate factors responsible for lack of commitment, bad leadership, inconsistency in employee's attitude, decrease in employee's morale and negative alignment to organizational goals that the organization receives unfavourable impact on output/performance as seen in Juhel Nigeria Ltd, and Unilever Nigeria Plc and proffering the right panacea/antidote which will serve as a platform for restoring a positive attitude for effective performance of organizations. Based on these problems, the objectives of this study are formulated

1.3   OBJECTIVES OF THE STUDY

This study is essentially a critical evaluation of the relationship between organizational culture and performance in manufacturing industry. Manufacturing creates the real wealth in an economy. Therefore, the objectives of this study are as follows:

i.   To ascertain the extent to which organizational culture enhances organizational commitment to performance.

ii.   To determine whether organizational culture promotes the consistency of employee attitude towards organizational performance.

iii.   To ascertain the extent organizational culture could be used to reduce ambiguity for effective performance in organizations.

iv.   To examine to what extent core organizational culture enhances leadership performance of the organization.

v.   To determine the extent to which organizational culture could be used to achieve organizational diversity for effective performance.

1.4   RESEARCH QUESTIONS

1.   To what extent does organizational culture enhance organizational commitment to performance?

2.   To determine how organizational culture promotes the consistency of employee attitude towards organizational performance?

3.   To ascertain how organizational culture could be used to reduce ambiguity for effective performance in organizations?

4.   To examine how core organizational cultures enhance leadership performance of the organization?

5.   To what extent could organizational culture be used to achieve organizational diversity for effective performance?

1.5   RESEARCH HYPOTHESES

The following research hypotheses are formulated to guide this study:

H_1:   Organizational culture significantly enhances organizational commitment to performance.

H_2:   Organizational culture promotes the consistency of employee attitude towards organizational performance.

H$_3$:   Organizational culture could significantly be used to reduce ambiguity for effective performance in organizations.

H$_4$:   Core organizational cultures significantly enhance leadership performance of the organization.

H$_5$:   Organizational culture could significantly be used to achieve organizational diversity for effective performance.

1.6   SIGNIFICANCE OF THE STUDY

In a work of this nature, a lot of people and organizations will benefit because of the relationship between culture and performance. Culture represents the social glue and generates a we-feeling; thus counteracting processes of differentiations which are an unavoidable part of organizational life. Organizational culture offers a shared system of meanings which is basis for communications and mutual understanding. Note should be taken that if these functions are not fulfilled in a satisfactory way, culture may significantly reduce the efficiency of an organization.

Specifically, those that will benefit from this work includes: the government, business managers, Directors/Employers, Employees, Scholars/Researchers Statistical Bodies and Agencies, and industrialists in manufacturing companies, non-profit making organizations and the researcher himself as it will lead to the award of Ph.D in Management to him.

Other areas this work is significant include the following:

a.   Organizational culture has a boundary-defining role, that is, it creates distinctions between one organization and others.

b.   Organizational culture conveys a sense of identity for organization members

c.   Organizational culture facilitates the generation of commitment to something larger than one's individual self interest

d.   Organizational culture enhances social system stability

e.   Organizational culture is a social glue that helps hold the organization together by providing appropriate standards of what employees should say or do.

f.   Organizational culture serves as a sense-making and control mechanism that guides and shapes the attitude and behaviour of employees.

g.   A strong organizational culture increases behavioural consistency that leads to effective performance.

1.7   SCOPE OF THE STUDY

This study on the organizational culture and performance will be limited to manufacturing companies in South Eastern Nigeria. Therefore the researcher has decided to restrict the scope of this study to the identification of the extent to which organizational culture will improve organizational performance. The companies in view are as follows: Nigerian Breweries Plc Enugu, PZ Industries Plc Ebonyi, Chuks International Nigeria Plc Abia, Juhel Nigeria Plc Anambra and Unilever Nigeria Plc Imo. These companies are located in Enugu State, Abia State, Anambra State, Ebonyi State and Imo State respectively. The period covered by this study ranges from 1972 to 2013.

1.8   LIMITATIONS OF THE STUDY

The limitations of this study includes:

a.   **Finance**: Due to the economic hardship that is faced by the people including the researcher, the possibility of a larger sample size which may have helped the work to

cover much areas becomes impossible hence this work will be limited to only manufacturing companies/industries in South Eastern part of Nigeria.

b. **Time**: It was not unusual that the researcher was constrained with time limit as it posed a serious threat to the successful coverage intended in the course of this study. It is the intention of the researcher to interview all the employees of the selected manufacturing companies but because of various activities of the researcher which borders on both academics, work schedules and other social activities it became relatively impossible to justify that intention.

c. **Attitude of respondents:** Most of the employees refuse to collect the questionnaires and those that collected did not give it the urgent attention it required in filling and returning it while some did not even return theirs at all. Some others were not very cooperative and could have given non-reliable information as they feared publicity despite the assurance by the researcher to treat every information with utmost secrecy and purely for academic purpose. This lack of co-operation from both the staff and most importantly, lack of encouragement by the management of these organization and also administrative bottlenecks acted as impediments to this study.

The researcher overcame the above constraints by voting more money and time to the research work and also tried to convince the respondents by giving them gifts/presents to make them ensure a prompt co-operation and give out reliable and relevant information as may be required to achieve the objective of this work which is knowing the extent the culture of an organization can influence or improve organization performance.

1.9   PROFILES OF SELECTED MANUFACTURING FIRMS

A focus on culture and processes with specific encouragement of collaboration between leaders and members will lead to efficiency. Also a focus on the human and social side of the organization, the importance of teams of all kind, and participation and involvement in problem-solving and decision making will lead to productivity and profitability in the organization. Organizational culture on performance can indeed be characterized by seven dimensions of innovativeness, flexibility, orientation towards people, outcome or result orientation, detail orientation, orientation toward collaboration or team work and aggressiveness.

The choice of these manufacturing firms is based on the fact that it covers the south-east and are in manufacturing proper. Also the nature of their products are of essence to deal with the problems of manufacturers as mentioned earlier in this work. The list of the firms includes:

*   Nigerian Breweries Plc   -   Enugu State

*   PZ Nigeria Plc Abakaliki   -   Ebonyi State

*   Chucks International Plc Aba   -   Abia State

*   Juhel Nigeria Ltd Awka   -   Anambra State

*   Unilever Nigeria Plc Okigwe   -   Imo State

NIGERIAN BREWERIES PLC ENUGU

Nigerian Breweries Plc, the pioneer and largest brewing company in Nigeria, was incorporated in 1946 and recorded a landmark when the first bottle of **STAR** Lager Beer rolled off the bottling lines in its Lagos Brewery in June 1949.

Nigerian Breweries Plc keeps pace with key international developments, thus ensuring that its systems, processes and operational procedures are always in conformity with world-class

standards. It is in line with this policy that the company established a Research and Development Centre in 1987 to enhance its research activities on all aspects of brewing operations. Nigerian Breweries Plc is a socially responsible corporate citizen with a very good record of corporate philanthropy in the areas of education, the environment (water) and sports, among others. The company in 1994 established an Education Trust Fund of N100 million to take more active part in the funding of educational and research facilities in higher institutions, all in an effort to provide and encourage academic excellence in Nigeria. This is in addition to its secondary and university scholarship programme for children of its employees. Nigerian Breweries Plc is the foremost sponsor of sports by variety in the country with sponsorship covering Football, Athletics, Tennis, Cycling, Chess, Golf, Badminton, Dart, Boat Racing and Ayo. The aim is to develop Nigerian sportsmen and women to participate in national and international sports, and boost the sports profile of the country. The company is also involved in the development of musical and movie talents, through various programmes.

As a major brewing concern, the company encourages the establishment of ancillary businesses. Many of these organizations and individuals depend largely on the company for their means of livelihood. These include manufactures of Bottles, Crown Corks, Labels, Cartons, Plastic Crates and such services as Hotels/Clubs and our Key Distributors. With about 129,000 shareholders as at 31st December, 2008, the authorized share capital of Nigerian Breweries Plc is ₦4 billion, divided into 8 billion shares of 50 kobo each. The issued share capital as at 31st December, 2008 stood at ₦3,781,281,170 divided into 7,562,562,340 ordinary shares. The Heineken N.V. Group has a majority share holding of 54.10% while 45.90% is held by Nigerian and foreign individuals and associations. The Company's Turnover for the financial year ended 31st December, 2008

was ₦145.5 billion. The Operating Profit was ₦36.8 billion and it paid out a total dividend of ₦25.7 billion, that is, 340 kobo per 50 kobo share.

PZ INDUSTRY PLC EBONYI

PZ industry Plc is a member of PZ group international amongst PZ pharmaceuticals, PZ Nigeria and PZ thermocool. It is a multinational public liability company with 60% of its equity share held by Nigerians and 40% held by foreign parties. Achieving production excellence through total quality management in the PZ industries Plc Abakaliki, a Multinational Company specialize in the production and marketing of different kinds of soap. PZ industries Plc Abakaliki, is entirely a soap manufacturing company involved in production of toilet soap (Ava, Joy, Imperial leather, Venus, Robert and Premier toilet and laundering soap, Canoe, Duck-green and premier laundry). Apart from soap production, the company also produces and exports crude glycerin, a bye-product of soap production and palm – kernel cake, a bye – product of palm – kernel and oil production. The company is also one of the first to produce and apply modern techniques in the production of soap in Nigerian as opposed to the former local methods of production.

CHUKS BROTHERS (NIG) PLC ABIA

Chuks Brothers Nigeria Plc is engaged in the manufacturing and marketing of detergents like soap, petroleum jellies and other creams, tooth paste, squash drinks, edible oils and fats as well as tea and coffee. The company was incorporated in Nigeria as a private company in 1924, under the name Chuks Brothers West African Limited. This was changed to the West African soap company limited in 1925 to Chuks Brother Nigeria Limited in 1955 and subsequently to its present name in 1973 when the company went into public i.e. Chuks Brothers International Plc.

In accordance with the Nigerian enterprises promotion Act 1972, forty percent (40%) of the company's equity capital was sold to Nigerian citizens and institutions by Williams Overseas Holding Limited. Shareholding Nigerians was increased to sixty percent (60%) in 1978 and currently spread over (31, 898) individuals and institutional shareholders. The balance of forty percent (40%) was currently held by William's Overseas Holding Limited, Lipton Tea Company Limited and Chesetroug-Ponds International Limited.

In July 1985, the company merged, with that experience, their food and drinks business has become a strong arm of the business. To further their base and improve the return of their investment, C.B.N consummated another merger in December 1988 with Chesebrough Products Industries Limited. The company currently operates in four factories which was commissioned in 1926 and started with the production of bar soap using local palm oil. This has since been extended to include the production of international toilet soap brands such as Lux, astral and Asepso.

JUHEL NIGERIA LIMITED ANAMBRA

Juhel Nigeria Limited is located at Awka in Anambra, capital of Anambra State Nigeria. It is 100% indigenous company incorporated in 1987 with RC No. 104648 as a wholesale Pharmaceutical Company. In answer to calls for local provision of cost-effective generic products to fill the gap left by multinational companies operating in the country, the founder, Dr. Ifeanyi Okoye (mni) with a focused vision, ventured into production and the factory was commissioned in 1989 as the first pharmaceutical tablet manufacturing company in Old Anambra State. Today, due to diligence, dedication, commitment to excellent of staff and

management and support from numerous customers nationwide, the company is ranked as one of the fastest growing pharmaceutical manufacturing companies in Nigeria. Their brand and product range have since grown in strength and include virtually all therapeutic classes, such as Antibiotics and Anti-infective, Cardiovascular, Anti-diabetic, Anti-malaria, Cough and Cold, Vitamins and Minerals, Anxiolytics, Antihistamines, Analgesics, Antacids and Anti-flatulent, and recently, bottled mineral water, Ivy table water.

Juhel Nigeria Limited strong management team comprises of accomplished professionals who excelled in both their academic and processional career. The team leader is Dr. Ifeanyi Okoye (mni), Managing Director and Chief Executive officer, a Ph.D holder in Pharmaceutical Technology, a Member of National Institute of policy and strategic studies, and a Fellow of the Pharmaceutical Society of Nigeria, (FPSN).

UNILEVER PLC IMO

Unilever Plc formerly (Lever Brothers Nigeria Plc) (RC113) is the longest surviving manufacturing outfit in Nigeria. The company was incorporated as a private company in 1923 to manufacture soaps based on local palm oil. Unilever Nigeria Plc strengthened its foothold in the food and drink business by merging with Lipton Nigeria Limited in July 1975 and they merged with Cheese Brough Products Industries Limited in December, 1988 to become a giant in personal product business. In accordance with Nigeria Enterprises Promotion Decrees of 1972 and 1977, 60 percent of the company's equity was held by Nigeria citizens and institutions while the remaining 40 percent was held by Unilever Overseas Holding Limited with Lipton Tea Company Limited and Cheese Brough International Limited. Today, Unilever Nigeria Plc is a leading company in the industrial sector engaged in the manufacturing and marketing of a wide

range of household products for fabric washing, household cleaning, personal washing, skin care, dental care, body care, industrial cleaning and foods, ranging from beverages, seasoning and table margarines to baking products through efficient and sharply focused management. The manufacturing sites have been rationalized from giving location some years ago to the convent areas leading to significant savings and cost effectiveness.

Unilever Nigeria Plc range of quality products is distributed and sold at uniform prices all over the country. Of this number, only six are expatriates. This is the extent to which the company has gone at training and developing management resource. The objective is to bring the expatriates to give the business an international flavour and incharge for its own managers going overseas to work and obtain international experience. The company also provides employment for over four thousand suppliers, transporters and distributors who in turn employ thousands of people. Unilever Nigeria Plc has been dedicated to the production of top quality brands for Nigeria for over seventy years. These super brands remain "A must in every home".

1.10   OPERATIONAL DEFINITION OF TERMS

There seems to be wide agreement that organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is, on closer examination, a set of key characteristics that the organization values. The most recent research suggests the following characteristics that, in aggregate capture the essence of an organization's culture on performance includes:

1. **Adaptability:** This refers to the ability of the company to scan the external environment and respond to the ever-changing needs of its customers and other stakeholders. (Attributes: Creating change, customer focus and organizational learning).

2. **Consistency:** This refers to the organization's core values and the internal systems that support problem solving, efficiency, and effectiveness at every level and across organizational boundaries. (Attributes: Core values, agreement, and coordination and integration).

3. **Culture:** This can be defined as the commonly held beliefs, attitudes and values that exist in an organization. Or more simply, it is the way we do things around here - *Furnham and Gunter (1998:25).*

    Culture can also be referred to as the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get done – *Eldridge and Crombie (1999:13)*.

4. **Involvement/Commitment:** This is the degree to which individuals at all levels of the organization are engaged in pursuit of the mission and work in a collaborative manner to fulfill organizational objectives. (Attribute: Capability development, team orientation, and empowerment).

5. **Leadership:** This consists of interpersonal influence, exercised in a situation and directed, by means of the communication process, towards the attainment of a specified goal or goals.

6. **Organization:** This can be defined as a conscious, coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal –**Robbins (2008:434)**.

7. **Organizational Culture:** This refers to a system of shared meaning held by members that distinguishes the organization from other organizations. **(Robbins, 2008:435)**.

8. **Organizational Development (OD):** This refers to a planned systematic process in which applied behavioural science principles and practices are introduced into an ongoing organization towards the goals of effecting organizational improvement, greater organizational competence and greater organizational effectiveness. (**French and Bell, 1990:85).**

9. **Organizational Effectiveness:** This refers to the extent to which an organization as a social system, given certain resources and means, fulfils its objectives without incapacitating its means and resources and without placing undue strain upon its members.

10. **Performance:** This is the measurement of how well organizations do their jobs. **Stoner *et al* (1995:305)**.

11. **Team Orientation:** This refers to the degree to which work activities are organized around teams rather than individuals.

12. **Manufacturing**: Manufacturing is the transformation of material into other goods through the use of labour and factory facilities.

13. **Manufacturing Industry**: Manufacturing industry is the term used for a firm or firms that produces and sells a product. Therefore, it is one that acquires raw materials and intermediate goods and transforms them to finished goods through an industry process.

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CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1   INTRODUCTION

The primary purpose of review is to assist the researcher to approach his problem for research more confidently in that when he acquaints himself with what has been done by others, he is better prepared to attack with deeper insight and more complete knowledge of the problem he has chosen to investigate. Literature reviews in the context of postgraduate study may be defined in terms of process and product. The process involves the researcher in exploring the literature to establish the status quo, formulate a problem or research enquiry, to defend the value of pursuing the line of enquiry established, and to compare the findings and ideas of others with his or her own. The product involves the synthesis of the work of others in a form which demonstrates the accomplishment of the exploratory process (Bruce 2008:218).

2.2   CONCEPTUAL FRAMEWORK

Concept of Organizational Culture

The literature on organizational culture is as relevant to public science management as it is to the management of private business organizations. Given a rapidly changing environment and continuing insights into organizational effectiveness, science organizations, as most other organizations, are seriously rethinking what they do and how they can best define and accomplish their goals and objectives. Once goals are defined, it is necessary to address the type of culture that is necessary to advance these goals and objectives and ensure the successful implementation of the necessary changes. In addition, the organizational effectiveness literature has been increasingly emphasizing the importance of culture in motivating and maximizing the value of its intellectual assets, particularly is human capital. This is particularly important in

knowledge intensive organizations, such as publicly funded scientific laboratories. This review of the organizational culture literature makes it clear that (1) Culture is essential for both successful organizational change and maximizing the value of human capital (2) Culture management should become a critical management competency, and (3) while the right culture may be a necessary condition for organizational success, it is by no means a sufficient condition. An important challenge for managers is to determine what the most effective culture is for their organization and, when necessary, how to change the organizational culture effectively.

The concept of organizational culture also appealed to organizational scientists and practitioners who had grown disillusioned with the prevailing formalistic, quantitative organizational research. The emphasis on organizational culture shifted attention away from the functional and technical aspects (the so-called hard side) of management that could be more readily quantified and empirically analyzed to the interpersonal and symbolic aspects (the soft side) of management that required in-depth, qualitative studies of organizational life. This focus on the qualitative, symbolic aspects of organizations and management stimulated a large literature on leadership. In addition, specialized literatures emerged around particular variants of organizational culture considered increasingly important for success in the modern business world, such as change-oriented culture, learning culture, innovating culture, team-and project-oriented cultures. More recently, attention has turned to identifying and creating an organizational culture that facilitates agility; promotes alliances, partnerships and networks; encourages knowledge management; fosters corporate responsibility and/or moral integrity; and embraces diversity. The concept of organizational culture has generated a massive literature with enormous popularity. In the 1990s, a literature search was generating over 2500 hits (Alvesson and Berg, 1992). It is an extremely

important literature because the concept of organizational culture has been central to much of the subsequent work on organizational effectiveness.

Organizational culture facilitates the acceptable solution to know the problems, which members learn, feel and set the principles, expectations, behaviour, patterns, and norms that promote high level of achievement. (Marcoulides and Heck, 2003; Schein, 2002). Indeed the study of organizational culture and performance is advantageous since the cultural values are observable and measurable. Thus it can be compared across organizations and directly related to individual and organizational performance (Siehi and Martin, 2008). Undoubtedly, the organization's performance is a function of the potential return to the inculcation of strong culture into the organization's systems enabling it to execute its routines. Scholars and practitioners have constantly argued that both financial and non-financial measures should not be used to determine the organizational performance (Harold and Darlene, 2004; Kaplan and Norton, 2002; Rajendar and Jun Ma, 2005). Performance is a broader indicator that can include productivity, quality, consistency, and so forth. On the other hand, performance measures can include results, behaviours (criterion-based) and relative (normative) measures, education and training concepts and instruments, including management development and leadership training for building necessary skills and attitudes of performance management (Richard, 2002).

Furthermore, Kotter and Heskett (2002) found that companies with "adaptive values" are strongly related with superior performance over a long period of time as compared to just short-term performance. This has been also supported by both Collins and Porras (2004) and De Geus (2007) in their work in long lived, financially successful companies. Thus in studying the relationship between culture and performance, it is vital that both financial and non financial

measures are used to get a more comprehensive result. A high degree of organization performance is related to an organization, which has a strong culture with well integrated and effective set of values, beliefs and behaviours (Cameron and Quinn, 2009; Deal and Kennedy, 2002; Dennison, 2000; Juechter and Fisher, 1998; Kotter and Heskett, 2002). However, many researchers noted that culture would remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions. Furthermore, the culture must not only be extensively shared, but it must also have unique qualities, which cannot be imitated (Lewis, 2008; Lim, 2005; Ouchi, 2001; Pascal and Athos, 2001). Several empirical studies have supported the positive link between culture and performance (Calori and Sarnin, 2001; Gordon and Di Tomaso, 2002; Kotter and Heskett, 2002). Moreover, there are recent studies done by Chatman and Jehn (2004), Dennison and Mishuman resource management (2005) and Kotter and Heskett (2002) that have contributed significantly to the field of culture and performance studies whereby culture is being treated as variable for a specific research purpose. Thus, one of the main reasons for the common popularity and interest in the study of organizational culture is due to the argument or assumption that certain organizational culture leads to superior organizational performance. In the opinion of Kreitner et al (2002), diversity is the multitude of individual and similarities that exist between people. Diversity is all about creating awareness, recognition, understanding and appreciation of human differences. It revolves around creating an environment in which everyone feels valued and accepted. In other words, valuing diversity involves a cultural change geared towards viewing employee differences as valuable resource that can contribute to organizational success. Managing diversity concerns itself with enabling people to perform up to their maximum potential. It focuses on changing an organization's culture and infrastructure such that workers provide the highest productivity possible. Three key strategies for success in managing diversity are: ***Education, Enforcement and Exposure.***

Furnham and Gunter 1993) state that a good culture is consistent in its components and shared amongst organizational members, and it makes the organization unique, thus differentiating it from other organizations. However, a high performance culture means little more than any culture that will produce a high level of business performance. Stoner J.A.F (2000), in the study carried out in Harvard Business School by Kotter J. and Heskett J. in 2005 over 200 companies opined that the effect of good organizational culture will include among other things:-

a.   Organizational culture can have a significant impact on a firm's long-term economic performance

b.   Organizational culture will probably be an even more important factor in determining the success or failure of firms in the next decade.

c.   Organizational culture that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.

d.   Although tough to changes, organizational cultures can be made more performance enhancing.

Heinz Weihrich and Harold Koontz (2003) in their opinion say that the effectiveness of an organization is influenced by the organization culture, which affects the way the managerial functions of planning, organizing, staffing, leading and controlling are carried out.

According to Kandula (2006), He maintains that due to differences in organizational culture, some strategies do not yield the same results for the same location. A positive and strong culture can make an average individual perform and achieve brilliantly, whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore, the organizational culture has an active and direct role in performance management. Murphy and Cleveland (2005) believe that research on culture will contribute to the understanding of performance management. Magee (2002) contends that without considering the impact of organizational culture, organizational practices, such as performance management, could be counter productive because the two are interdependent and change in one will impact

the other. Schein (1992) suggests that the performance of any organization is dependable on the culture as culture is even more important today than it was in the past. Increased competition, globalization, mergers, acquisition, alliances, and various workforce developments have created a greater need for:

- Coordination and integration across organizational units in order to improve efficiency, quality and speed of designing, manufacturing, and delivering products and services.

- Product innovation

- Strategy innovation

- Process innovation and ability to successfully introduce new technologies, such as information technology.

- Effective management of dispersed work units and increasing workforce diversity

- Cross-cultural management of global enterprises and/or multi-national partnerships.

- Construction of meta-or hybrid-cultures that merge aspects of cultures from what were distinct organizations prior to an acquisition or merger.

- Management of workforce diversity.

- Facilitation and support of teamwork.

In addition to a greater need to adapt to these external and internal changes, organizational culture has become more important because, for an increasing number of corporations, intellectual as opposed to material assets now constitute the main source of value. Maximizing the value of employees as intellectual assets requires a culture that promotes their intellectual participation and facilitates both individual and organizational learning, new knowledge creation

and application, and the willingness to share knowledge with others. Culture today must play a key role in promoting:-

    i.   Knowledge management

    ii.   Creativity

    iii.   Participative management

    iv.   Leadership

In the opinion of Schein's (2001, 2005, 2002) theory, organizational culture is defined as "A pattern of shared basic assumption that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as a correct way to perceive, think and feel in relation to those problems".

According to Schein, organizational culture is the learned result of group experiences, and it is to a large extent unconscious (Schein, 2002). Schein considers culture to be a three-layer phenomenon. See fig. 2.1. The first level of culture consists of visible organizational processes and various artefacts. For example, dress codes and the general tidiness of the workplace are artefacts that tell something about the organization's culture. The first level according to Schein, is difficult to interpret, however, because it represents the most superficial cultural phenomena, i.e. only reflections of the true corporate culture. For example, behaviour – which is a cultural artefact – is also influenced by countless factors other than a company's culture (Schein, 2002). The first cultural level also consists of various quality systems as well as information systems and database connected with safety and the control/monitoring of operations (cf. Reason, 2007). Similarly, cultural artefacts can be considered to include accident statistics, sick leave and

corresponding indicators, which correctly interpreted, can be used to form conclusions about the deeper characteristics of an organization's culture. This interpretation requires effective and diverse research methods and an understanding of the internal dynamics of the culture.

Artifacts	Visible organizational structures and process
Espoused Values	Strategies, goals, philosophies (espoused justifications)
Underlying assumption	Unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings (the ultimate-source of values and actions
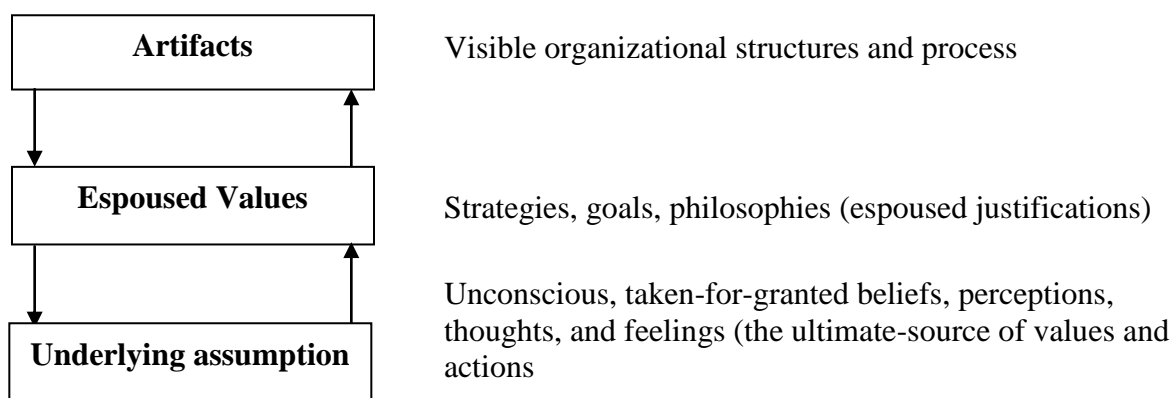
Fig. 2.1: *Model of Organizational structure*
Source: *Schein,H. (1992:17) Oganizational Culture and Leadership,NewYork, McGraw-Hill.*

The second cultural level in the Schein model consists of the organization's espoused values. These are apparent in, for example, the organization's official objectives, declared norms and operating philosophy. Espoused values, however, do not always reflect a company's everyday operations. Most important in terms of operations is the culture's deepest level namely its underlying assumptions (Figure 2.1; Schein, 1985, 1992). Underlying assumptions relate to the group's learned solutions to problems relating to external adaptation and internal integration. These solutions gradually become self-evident assumptions that cannot be called into question later. Problems related to external adaptation concern views of an organization's task and objectives as well as the means to implement and assess them. A solution has to be found for them so that the organization can function and succeed in its environment. Problems related to internal integration and to maintain operating capacity concern the creation of a common language and concepts, defining group limits, the level of authority relationships and interaction, as well as methods of reward and punishment. A solution has to be found for these so that

members of the organization can function together in an organized and predictable working community (Schein, 2005, 2002).

Schein (2005, 2002) also distinguishes so-called deeper underlying assumptions, which relate, for examples, to views of human nature as well as to the nature of information and the human activity in question. These are strongly influenced by national culture, but an organization always forms its own view of them in its operations. One can assume that the deeper underlying assumptions originally acted as a basis for interpretation in determining and resolving the problems of internal integration and external adaptation. In other words, they influence how the members of an organization perceive, think and feel in matters relating to the organization. Underlying assumptions function as an unconscious basis for action and a range of decisions that shape the culture further. Underlying assumptions, therefore, are not static; culture is in an epistemological sense i.e. the science of the processes and grounds of knowledge and the creation and recreation of shared reality. In Weick's terms it can be said that organizational reality is an ongoing accomplishment (Weick, 2003).

In the opinion of Schein, even though underlying assumptions direct the actions of a company's members, the organization's underlying assumptions cannot be inferred from such actions (which are only cultural artefacts, see figure 2.1). Actions are also always influenced by situation-specific and individual factors (Schein, 2009). Espoused norms and an organization's official rules may; however, be in conflict with everyday (artefact level) actions. Thus they can also be in conflict with the underlying assumptions, which in the end direct these actions. Organizations may not necessarily perceive this conflict themselves or they may even actively

deny its existence. Although Schein's theory has been criticized (e.g. Hatch, 1993, Collins, 1998, Parker, 2000). It covers the central elements of culture well, namely its holistic, partly unconscious and Learned nature. Organizational culture, therefore, is not merely a single new variable which describes organizations and which can be examined separately from the other variables that affect an organization's activities, such as the organization's structure, market orientation and the technology it uses. Organizational culture as a scientific concept strives to describe and explain activity in the organization as a whole.

An integrated organizational culture reduces the uncertainty and ambiguity experienced in an environment and maintains an organization's operating capacity (Schein, 1992, Weick, 1995). Organizational culture is a dynamic phenomenon, however, Weick (1995) examines the continual and collective reality-building process that takes place in an organization. In this process, the meaning of various events is deliberated and a common view is formed based on incomplete information. Weick calls this process sense making (Weick, 1995). Creating meanings is not a democratic process; power struggle and politics are also very much involved (Alvesson and Berg, 1992). History also plays important role in the building of meanings. Weick (1993) states: "remembering and looking back are a primary source of meaning" (Weick, 1993). In its action, an organization creates its own opportunities and boundaries again and again (Weick, 1993, see also Giddens, 1984).

Leadership has a central position in organizational culture. Managers (and the founder of an organization) play a key role as creators of a culture's underlying assumptions (Gagliardi, 1986, Schein, 1985). If, however, an attempt is made to explicitly "Lead" a culture, the effects might

be entirely contrary to what is expected. For example Kunda (1992) writes about an organization in which the workers criticized the "cultural propaganda" and "ideology" spread by their manager. Some of the workers said that they did not want to hear it (the propaganda) or pass it on to their subordinates, because to their mind it was more sensible to discuss how matters and decisions were handled in reality (Kunda, 1992:180). This shows that it is often forgotten that culture express itself in the management of daily affairs much more significantly and deeply than in the official statements of managers. The organizational culture concept loses its explanatory power. In the opinion of Parker (2000) and Alvesson and Berg (1992), "organizational culture management" as a tool of consultants and as a management method is often a direct continuation of Taylorism and work rationalization and efficiency thinking: an attempt is made to develop control mechanisms that are not based on "compulsion" or on direct orders (Parker, 2000). Workers strive to get to command themselves or each other. The manager's task is considered to be the creation of a culture and its manipulation. The power of cultural theories is seen particularly in fields in which direct control and guidance mechanisms are difficult or impossible to maintain. In a strong culture, all workers must, according to these theories, adopt the manager's values are their own underlying assumptions and act according to them. Conflicts or differing opinions are considered harmful and every effort is made to eradicate them (Alvesson and Berg, 1992; Kunda, 1992; Parker, 2000). The above mentioned features are also found in Schein's theory (see e.g. Parker, 2000:61-67). The roots of Schein's theory lie in system theory (see e.g. Lewin, 1947) and in structural functionalism (see e.g. Parsons, 1951). As a result, Schein's theory emphasizes the unity and functionality of culture.

Theories about the unity of culture have been undermined by showing the various subcultures are evident in organizations. Parker (2000) shows that the workers identify with different groups

within an organization, for example on the basis of age, gender and education (see also Reiman, 2001a). Parker distinguishes three typical principles of group formation.

a.   Distinction between functions and units on the basis of the location of units and job description.

b.   Distinction between gender and distinction according to years spent in the organization.

c.   Professional distinction e.g. on the basis of educational background (Parker, 2000).

Some of these subculture may also feel more unity with the corresponding unit in some other company than with most of the people in their own company. Subcultures are distinguished from each other, among other things, according to how they see their role and the significance of the other subcultures in their company (Parker, 2000, McDonald, 2000). There are differences in the motives of individuals to do work; some seek security from an organization, others look for challenges and risks. These individual factors have an influence on how an organization's culture is experienced. Collins (1998) sums up the matter by stating that cultures are historically developed, socially maintained and individually interpreted. Every culture, however, has an in-built tendency to unify behaviour. This happens by creating common norms and a shared social identity. The norms determine how one ought to behave in each situation and role. The norms simplify and regulate social interaction and make it predictable. They therefore standardize the operation of the group (Hogg and Abrams 1988:159; Goffman, 1959; and Levi, 2001). A new individual infers the true norms of the group that guide its actions from the behaviour of the group's members. Some of these norms are conscious, some are unconscious (i.e. underlying assumptions).

Some members are seen as model representatives of the group. These individuals have a more powerful influence than others on the formation of norms (Hogg and Abrams, 1988; Helkama, 1998). The formation of social identity is at the same time an important source of self-esteem for individuals and a binding force for the group (Hogg and Abrams, 1988, Levi, 2001). Because one tends to see oneself in a slightly more positive light than reality (see e.g. Verkasalo, 1996), this identification with the group also emphasizes those sides of the group which are seen as positive and strong. Because of this, it is difficult to access one's own culture objectively and people are sensitive to pressure to change from outside the culture. Glendon and Stanton (2000:194), according to Burrell and Morgan's (1979) original model, separate organizational culture theories into interpretational theories, which emphasizes the culture's social constructive and emergent nature (interpretive approach), and functional theories. In functional theories, culture is considered to exist as an ideal towards which one must strive and which one can and must manipulate in the company's interests. Glendon and Stanton classify Schein's organizational culture model as belonging to the interpretational theories. From an interpretational perspective, by culture is meant a metaphor by which one strives to understand a company's operations and ways of reacting to environmental pressures.

The ideal culture concept, which most safety culture studies represent, is in accordance with a functional way of approach, and thus it does not offer the best possible way to understand and explain a company's actions at any given instant. Thus, it is also difficult to understand and assess how safety and other desired states (efficiency, well-being) at any given instant in a company's culture are construed among the employees (see also Rochlin, 1999). Possible conflicts between these objectives also remain unexplained. The term safety culture does,

however, have a practical value as a management philosophy. Moreover, it is a well established term in the field of unclear power. Consequently, it is not sensible to seek to abandon the concept. In research and development activity, however, one has to be aware of the limitations of the concept.

The basis of this report in this section is that safety must not be considered as being separate from an organization's other operations or operational objectives (Reiman, 2001b; Oedewald, 2001; Reiman and Norros, 2002). Vicente (1999) sets three criteria for the effectiveness of a sociotechnical system. According to his definition, an effective sociotechnical system is safe, productive and healthy. The culture should support the achievement of all these objectives. For example, in the generation of nuclear power, organizational culture can mean safety and actions aimed at balancing and optimizing generation. Thus new kinds of methods taking into account the overall objective of the organization are needed to assess a culture appropriately. Accordingly, the term organizational culture is meant values, norms and underlying assumptions which arise overtime during a company's history and which affect all of a company's operations. All of these may also have an influence on a company's safety, productivity and well being (Reiman 2001a, 2001b; Oedewald, 2001; Reiman and Norros, 2002).

2.2.1 THE IMPACT OF CORPORATE CULTURE ON (IT) ADOPTION FOR EFFECTIVE PERFORMANCE

Information technology (IT) is defined as "all forms of technology used to create, store, exchange, and use of information in its various forms (business data, voice conservations, still images, motion pictures, multimedia presentations and other forms, including those not yet conceived)". It is a convenient term for a rapidly expanding range of equipment, applications

services and basic technologies that process information. The elements of IT fall into three principal categories; computers, telecommunications and multi-media data and many combinations of the building blocks that may be used to create the IT resources across an organization (Keen, 1995). Information Technology (IT) has become the tool used to manage change in business strategies and internal corporate processes by many companies (Vlosky, 1999). Gates (1997) considers IT as the nervous system of a company and that its excellence determines a company's competitiveness. Companies using IT are able to learn about the market, the competition, the internal and external customers, leveraging it for competitive advantage to increase market share and profit (Mahmood and Soon, 1991). Information technology is used to speed communication between trading partners, shorten product life cycle, establish better relationships with customers, suppliers and partners and reduce expenditures (Franklin, 1997) as shown in business – to – business (B2B) and business – to – customer (B2C) transactions.

One common thread that greatly affects many of the organizational aspects that enhance performance and increase productivity is the widely shared and strongly held values that underlie and define an organization's culture. Deshphande and Webster (1989) review several studies and defined organizational or corporate culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behaviour in the organization". Schneider and Rentsch (1988) describe culture as "why things happen the way they do" and organizational climate as "what happens around here". Cultures can be determined by the values, assumptions and interpretations of organization members (Hales, 1998). These factors can be organized by a common set of dimensions on both psychological and organizational levels to derive a model of culture types to describe organizations (Cameron and Freeman, 1991). Corporate culture is an important predictor of

organizational capabilities and outcomes such as customer orientation (Deshphande et al, 1993) and new product development Moorman, 1995). For many years, scholars in organizational behaviour have also attempted to demonstrate the link between an organization's culture and its performance. It has been argued that the success of an organization's strategy depends, to a significant extent, on the culture of the organization (Yip, 1995). In considering culture in the light of a strategic management paradigm, Barney (1986) argues that for an organization's culture to provide sustained competitive advantages, it must add value. It must be rare or unique and be difficult to imitate by competitors.

A Model of IT Adoption on Organizational Performance

Figure 2.2 provides an overall illustration of how an organization adopts information technology and the numerous factors that influence the adoption process (Vlosky, 2001). An organization is surrounded by a whole range of economic, social, political and technological factors that influence decision making and performance. Other factors in the external environment as constitute the organization's customers, distributors, suppliers and the competition. These forces constitute the external macro – environment as well as micro-environment forces. They need to be scanned to determine opportunities and threats for the business (Kotler, 2000). The internal environment of the organization could be made up of tangible factors such the physical plant and equipment and intangible such as the skills of the employees within the organization. To be able to survive in the highly competitive business world, a business must identify its strengths and weaknesses, hone in on its core competencies and leverage them for competitive advantage (Grant, 1991). The important role IT plays in business has been emphasized in literature (Rockart and Short, 1989; Benjamine et al, 1984).

Thus, the current information technology system of an organization constitutes the corona of IT influences (step I). Such influences could be made up of old legacy systems, integrated systems, semi- integrated systems or stand – alone IT systems. Depending on the organizational size, the market nature and type of products being produced and the perceived benefits of IT, certain portals are able to penetrate the organization to varying degrees to influence adoption (step 2). Penetration and adoption, are typically facilitated by top management, cultural orientation of the organization, management information systems (MIS) or the information technology itself as alluded to in earlier sections of this report. Once these factors have successfully penetrated the organization to influence the adoption of IT, internal diffusion occurs (step 3). The diffusion is tremendously affected by the cultural orientation of the organization to create strong or weak relationships of the factors that lead to the penetration, adoption and diffusion. Based on the corporate culture with respect to IT adoption, the organization may utilize IT for internal consumption (Intranet), external consumption (Extranet), a network of computer networks for global application (Internet) database management, enterprise resources planning and many other IT application (step 4). In the highest order application of IT, eBusiness takes place with interorganizational connectivity (step 5). This can be done with its exchange partners, such as its customers, which include order taking, order process, order payment, dispatch, order tracking and after – sales customer support. Others include suppliers for procurement processes and overall supply chain management.
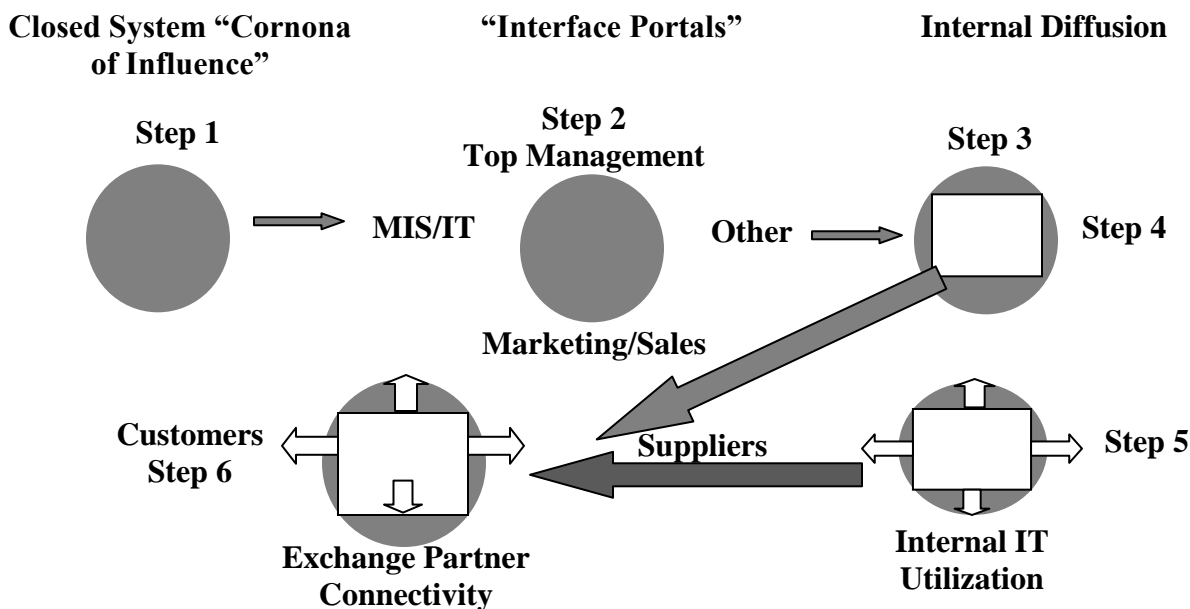
Fig. 2.2 : Model of IT Adoption

Source*: Vlosky (2001:56), http://highered.mcgraw-hill.com/sites/.*

Conceptual Model of Corporate Culture on IT Adoption for Effective Performance

In this study we build on the model posed by Vlosky (2001) to include a set of constructs related to IT adoption related to corporate culture (figure 2.2). In this model, corporate culture plays a moderating role in systematically modifying either the form and/or strength of the relationship between the predictor variables (perceived effectiveness of IT adoption) and the criterion variable that influence IT adoption (such as extent of IT application, user participation, perceived ease of use, perceived usefulness and adoption diffusion) (Sharma et al, 1981) and the interaction between the criterion variables and the predictor variable. The items to measure cultural orientation in this research have been adapted from McCarthy and Perreault (1987), and other marketing and management literature such as Kotler et al, (1997), Kotler (2000) Keegan et al. (1992), and Elliot (1990). Since IT adoption constructs could be perceived to be rather broad, a

modified version of a similar instrument developed by the Computer Science and Telecommunications Board of the National Research Council in 1991 (Anonymous 1994) was adapted as well as other items from the Technology Acceptance Model (TAM) by Davis (1989) and Davis et al. (1989). When corporate culture is considered is conjunction with the relationship between the independent and dependent variables of Information Technology adoption, the culture of an organization may play a major role in the adoption of information technology to organizational performance.

Factors Influencing IT Adoption
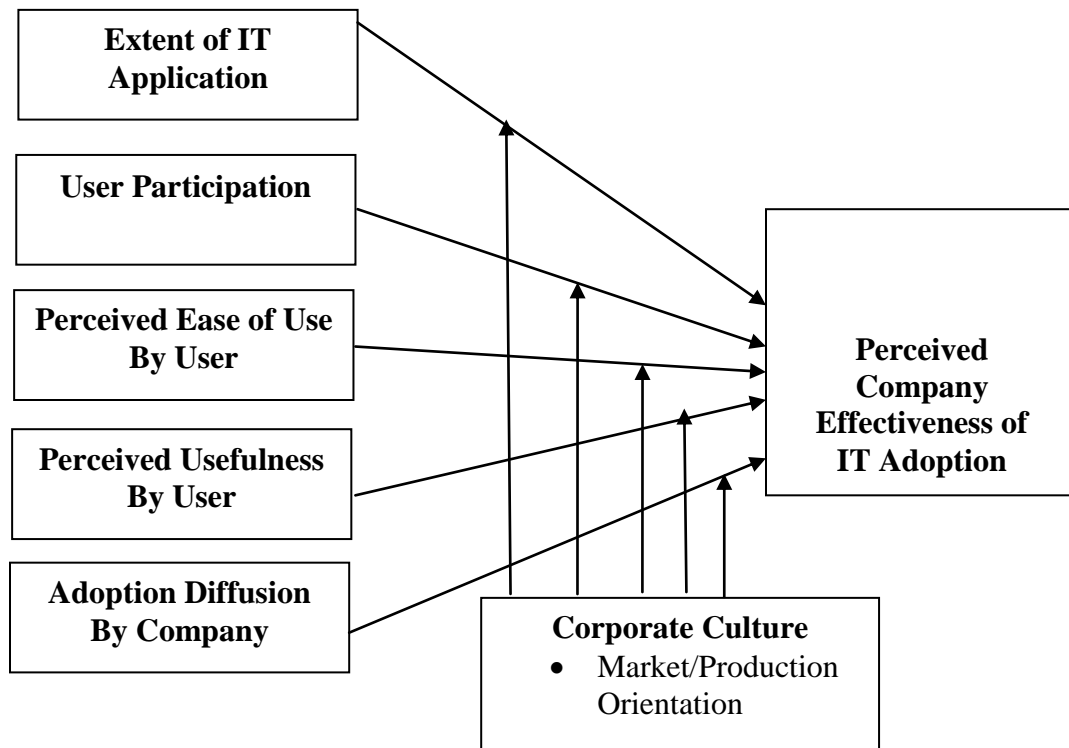
Fig 2.3: *Model of IT Adoption Influences and Corporate Culture*
Source*: Vlosky (2001:57), http://highered.mcgraw-hill.com/sites/.*

Model Constructs
Extent of Application

The "extent of application" construct describes the extent to which an organization applies IT to making, implementing and evaluating organizational decisions. Its benefits are commonly based on enhanced decision making or improved business performance. The use of information in decision making involves integrating information sources and selecting among alternative strategies, whereas information use in decision implementation concerns how decisions should be carried out (Nutt, 1986). Information use in evaluation, on the other hand, refers to the determination of positive and negative performance outcomes and the reasons for the outcomes (Zaltman and Moorman, 1989). The development of IT comes with a significant risk of whether the end users will actually use it or not. To ensure continued use, external variables (such as technical features and organizational environment), internal psychological variables (such as past education and attitude to system use) and past usage (prior experience) must be considered (Bajaj and Nidumoli, 1998, Taylor and Todd, 1995).

Past research has found inconsistent associations between usage and other measures of system success. There still remains a significant gap in establishing the relevance of the way of measuring usage to the task or study (Szajna, 1993). According to the theory of reasoned action, the perceived usefulness of the system and its impacts on valued skills affect attitudes toward use of IT (Liker and Sindi, 1997). This means that for users of IT to realize the full potential of the technology, they must be willing to use the technology and become effective users. Unfortunately, many IT applications are misused, underutilized or abandoned (Martinsons and Chong 1999, McDermott, 1987).

User Participation

The relationship between user participation and information system (IS) has drawn attention from researchers for some time because of its potential impact on the success of systems. Yet, empirical results have drawn a lot of controversy as a result of conflicting findings, weak measures and methodological and theoretical differences. Hence, over two decades of research have still not convincingly demonstrated the benefits of user participation (Ives and Olson 1984, Torkzadeh and Doll 1994, Saleem, 1996). User participation has been reported to be situation dependent and not equally effective in all situations (McKeen and Guimaraes, 1997).

There is much controversy surrounding the definition of user participation in organizational behaviour literature (Locke and Schweiger 1979, Vroom and Jago, 1988). User participation could be considered as "taking part" in some activity. Such participation may be direct or indirect, formal or informal, performed alone or in a group, covering varying scopes of activities during systems development and implementation (Vroom and Jago, 1988). Ives and Olson (1984) suggested that assessing a wide variety of specific behaviours, activities and assignments is more accurate, reliable and valid than measures assessing general opinions during user participation evaluation (Cote and Buckley, 1987, Barki and Hartwick, 1994). Systems development, as a result of being marked by cost overruns, late deliveries, poor reliability and user dissatisfaction, in many cases, does not achieve the expected strategic benefits. It has been suggested that the participation of users in the design and implementation of IT promotes greater user acceptance, IT usage, system quality, organizational impact and increased user satisfaction, which could lead to increased IT implementation success (Hwang and Thom, 1999, Lin and Shao, 2000, Amoako-Gyampah and White, 1997). Cultures that are high in trust and mutual

supportiveness foster higher levels of communication, shared identity and commitment (Mohr and Nevin, 1990) which enhances user participation (Moorman et al, 1992). Literature from social exchange and organizational behaviour suggests that the greater the user participation in the project, the greater will be the establishment of trust in the success of the project (Moorman et al, 1993). Because the users will be able to identify loopholes in the project before final implementation and will also feel committed to make it work (Moorman et al, 1992). This also generates confidence in the users that the IT system is reliable (Rotter, 1971) and encourages users to take risks (Ring and Van De Ven, 1992).

In the opinion of Foster and Franz (1999), analysts and users have different perceptions of the user's participation and acceptability of the system to the user. From the point of view of users, the level of user participation has a direct, positive and significant impact on user satisfaction, whereas analysts' perceptions portray otherwise (Amoako-Gyampah and White, 1993). This is because it is believed that the successful implementation of IT projects depends, to a large extent, on the learning processes and the accumulation of knowledge at the firm level (Panopoulou, 2001). User participation facilitates organizational learning by bringing together all dispersed knowledge from the various units within the organization to one spot where employees can access information, learn from one another and benefit from new knowledge developed by other units (Becker, 2001). This provides opportunities for mutual learning and interunit cooperation that stimulate the creation of new knowledge and at the same time, contribute to organizational units' abilities to innovate (Kogut and Zander, 1993, Tsai and Ghoshal, 1998, Huber, 1991).

Perceived Ease of Use

Perceived ease of use has been established from previous research to be an important factor influencing user acceptance and usage behaviour of information technologies (Igbaria et al, 1995). It describes the individual's perception of how easy the innovation is to learn and use. This includes support, complexity and change. The Technology Acceptance Model (TAM) by Davis et al. (1989), which places emphasis on the roles played by perceived ease of use and perceived usefulness in influencing technology adoption decisions, has been widely used to predict user acceptance in much of the literature (Plouffe et al, 2001, Karahanna and Straub, 1999; Thompson et al, 1991, Venkatesh and Davis, 1996).

Venkatesh (2000) reported that six variables contribute significantly to how users perceive the ease of use of specific IT systems over time in an actual corporate setting. These variables include computer self-efficiency, facilitating conditions, intrinsic motivation/computer playfulness, emotional/level of computer anxiety, objective usability and perceived enjoyment (Wexler, 2001). Self-efficacy has a strong direct effect on perceived ease of use, but only an indirect effect on perceived usefulness through perceived ease of use (Igbaria and Livari, 1995). Another factor, past usage (prior experience), also apparently influences the ease of use of the system, and this is a key factor in determining future usage (Bajaj and Nidumoli, 1998).

Perceived Usefulness

The Technology Acceptance Model (TAM) is one of the most influential research models in studies of the determinants of information systems/information technology (IS/IT) acceptance (Igbaria and Livari, 1995, Davis et al, 1989). Sets of antecedent constructs drawn from both TAM and the perceived characteristics of innovating (PCI) inventory show that the PCI set of

antecedents explains substantially more variance than does TAM while also providing managers with more detailed information regarding the antecedents driving technology innovation adoption. Technology Acceptance Model (TAM) provides a poor fit for the model until the introduction of an additional construct, computer self-efficacy (Fenech, 1998). Furthermore, a review of the IS and psychology literature suggests that perceived usefulness can be of two distinct types: near-term usefulness and long-term usefulness (Chau, 1996). The Social Exchange Theory posits that IT managers are able to influence both the perceived usefulness and the perceived ease of use of an IT application through a constructive social exchange with the user such as developer responsiveness (Gefen and Keil, 1998).

Perceived usefulness describes the perceptions of the individual to the innovation and has been found to influence an individual's adoption behaviours. Davis (1989) defines perceived usefulness as "the degree to which a person believes that using a particular system would enhance his or her performance". It is an example of extrinsic motivation which is found to play a greater role in an individual's behaviour (Igbaria et al, 1995). According to Liao and Cheung (2002), the most important consumer attitudes underlying perceived usefulness of and willingness to use IT are expectations of accuracy security, network speed, user-friendless, user participation and convenience. Expectation-confirmation theory adopted from the consumer behaviour literature and integrated with theoretical and empirical findings from prior IT usage research suggests that users' continued intention is determined by their satisfaction with IT use and perceived usefulness of continued use. User satisfaction, in turn, is influenced also by the user's confirmation of expectation from prior IT use and perceived usefulness, and this is influenced by the user's confirmation level (Bhattacherjee, 2001). According to Igbaria et al.

(1996), perceived usefulness (rather than perceived fun or social pressure) is the principal motivator of increased use of microcomputers by professionals and managers.

Adoption Diffusion

The process of information technology adoption and use is critical to deriving the benefits of information technology. Understanding how users form perceptions of an IT innovation would help designers, implementers and users in their evaluation, selection, implementation and on-going use of IT. The diffusion and infusion of IT, however, is a complex process that is influenced by numerous factors such as perceived characteristics of the innovation, subjective norms, stages of adoption, user competence, implementation processes and organizational factors (Chiasson and Lovato, 2001). Each factor has a direct effect on IT diffusion. Other findings suggest that migration costs (Chau and Tam, 2000), earliness of adoption, top management support and organizational size are positively associated with diffusion (Eder and Igbaria, 2001, Knol and Stroeken, 2001). However, advocacy by middle management is seen not to have a positive effect on the success of implementation (Carter et al. 2001), but rather having the right organizational and individual incentives could cause a widespread adoption (Wong et al, 2000). The most commonly found model to explain the s-curve pathway of new technology use (Geroski, 2000) is the so-called epidemic model, which builds on the premise that what limits the speed of usage is the lack of information available about the new technology, how to use it and what it does. The leading alternate model is often called the probit model, which follows from the premise that different firms, with different goals and abilities, are likely to want to adopt the new technology at different times. In this model, diffusion occurs as firms of different types gradually adopt it.

Rogers' (1995) work on diffusion theory has provided an important set of theoretical constructs, called "perceived characteristics of an innovation" which is important in influencing adoption and diffusion. These constructs include relative advantage, compatibility, complexity, trialability and observability. Explanation of adopter attitude on innovation adoption and diffusion has long converged on a core set of theoretical frameworks that stems from Diffusion of Innovation (Rogers, 1983) and Technology Acceptance Model (Davis et al, 1989), which have been explained in an earlier section of this thesis. Other theories include the Theory of Reasoned Action (Ajzen and Fishbein, 1980), which posits that personal attitudes and subjective norms plays major roles in determining intentions to use; the Theory of Planned Behaviour (Ajzen, 1985, Taylor and Todd, 1995), which suggests that a behaviour is a direct function of behavioural intention, which in turn, is formed by attitude, which reflects feelings of favour or disfavour toward a behaviour, and Social Cognitive Theory (Compeau and Higgins, 1995), which proposes that contextual support and barriers play key roles in behaviour formation. Specifically, Social Cognitive Theory suggests that behaviour is affected by both outcome expectations and self-efficacy, while outcome expectations and self-efficacy are in turn influenced by prior behaviour. However, these frameworks have been reported to neglect the realities of implementing technology innovations within organizations when adoption decisions are not made at the individual level but at organizational, division or workgroup levels (Orlikowski, 1993, Fichman and Kemerer, 1997), where authorities make the initial decision to adopt and targeted users have few alternatives but to adopt the innovation and make the necessary adjustments for using it to perform their jobs (Zaltman et al, 1973).

Corporate Culture

Aligning corporate culture with new strategic decisions is a complex problem that requires an understanding of four important aspects of corporate culture: "that corporate culture is the basic pattern of shared beliefs, behaviours and assumptions acquired over time by the members of an organization; that the organization's cultural development may result from its day-to-day operations; that cultural change confronts an organization when a strategic decision requires a major shift in the way that management and/or employees operate; and that managing culture is a complex and expensive process that must be initiated from the top as a high priority project and that it is measurable, with meaningful, tangible objectives" (Conner et al. 1987). If the introduction of planned change and management initiatives with significant organizational implication are to have the full impact, corporate culture and IT intensity must be given serious consideration (Smith, 1998; Weber and Pliskin, 1998).

Production Orientation Culture

Production orientation, even though one of the oldest concepts in business, is still evident in high capital intensive industries and where demand exceeds supply. It is especially useful when consumers favour products that are available and highly affordable. In such circumstances, businesses can focus on improving production and distribution efficiencies. Manufacturing industries elected to manufacture goods based on their ability to be produced stressing standardization and specialization. The challenge becomes finding ways to promote the products to potential purchasers in such ways as to create a perceived need for the good in the minds of potential buyers. Today, the advertising industry still finds itself constantly battling social critics who suggest that advertising, especially as practiced in the United States and Europe, creates false needs, resulting in society's unnecessary expenditures for unneeded products or services

(Poppe, 1994). Today, even the "best" firms sometimes backslide into a production orientation because in today's highly competitive markets, it is often difficult to keep up with changing customer needs, beat aggressive competitors to the punch, find the right focus that matches the firm's objectives and resources to market opportunities and offer customers superior value (Perreault and McCarthy, 2000).

Market Orientation Culture

The dynamic nature of the marketplace needs requires a continuous tracking and responsiveness of these needs with superior value in a consistent manner at a profit. A market-oriented organization generates market intelligence, disseminates the intelligence across departments and provides the appropriate response to the needs of the market at a profit (Kohli and Jaworski, 1990). The strategy is to survey markets to identify unfilled needs and then to produce products that satisfy those unmet needs. It is believed that if a product or service sufficiently satisfies consumers, the product or service will basically sell itself because people with the need will seek it for fulfillment. To be effective, more resources are required to focus on what potential consumers want and then translate product traits, packaging characteristics, price levels or availability of products to the consumers. Though market orientation has been posited to lead to greater customer satisfaction and organizational commitment of employees (Narver and Slater, 1990), arguments have been advanced in literature to the effect that a market orientation may have a strong or weak effect on business performance. This depends on the environmental conditions such as market turbulence and competitive intensity (Houston, 1986). *Narver and Slater (1990) reported that for an organization to be considered market oriented, it must possess thuman resource*

management ee behavioural components – customer orientation, competitor orientation and interfunctional coordination and two decision criteria: long-term focus and a profit objective.

Perceived Effectiveness of IT Adoption

Perceived effectiveness of IT adoption is the extent to which individuals believe that the adoption of IT has been successful. Despite remarkable advances in information technology, many IT projects still fall short of performance expectations. A growing share of these implementation failures are caused by to nontechnical factors. Griffith et al. (1999) believe that technology implementation success could be improved with active top management support, clear implementation goals and user participation and training. Other success factors include a good understanding of the intended end-users, their tasks and the interdependencies between the two, together with the appropriate business strategy (Martinsons and Chong, 1999). This should lead to adding value to the firm and positive influences on user behaviour. Unfortunately, IT success can sometimes be elusive (Davis, 1991). An effective IT application is expected to improve performance, but if poorly planned, developed or implemented without due recognition to increase human resource effectiveness, it can breed disaster and retard individual and/or group performance (Templer, 1989).

The literature in social psychology and marketing suggests through the cognitive dissonance theory that individuals' expectations on a task are influenced by performance expectations (Aronson and Carlsmith, 1962, Brock, et al. 1965, McLeod and Fuerst, 1982). Thus, before considering the products and the technology to be offered, the IT department must develop an understanding of its customers and their expectations (Panko 1987). While utilization of an

information system is widely regarded as an indicator of its success, effectiveness or acceptance (Szajna, 1993), the realization of user expectation has been suggested as one possible means of assessing the eventual success or failure of an IT (Van De Ven, 1976).

Miller and Doyle (1987) reported that IT success correlates with the perceived performance and importance of these factors in each firm. Though different firms have different levels of appreciation of importance of performance factors, their overall attitude toward IT is strongly influenced by how well those factors are handled. The firms that concentrate their resources in the most important areas will achieve greater success than those that spread their resources too thinly. Performance factors include:

1.   Functioning of existing transaction/reporting system

2.   Linkage to strategic processes of the firm

3.   The amount and quality of user participation

4.   The responsiveness to new systems needs

5.   The ability to respond to end-user computing needs

6.   IS staff quality and

7.   The reliability of services. Other factors include identity, significance, autonomy and feedback (Ryker and Nath, 1995).

Other research findings further suggest that the payoffs from end-user computing has a significant relationship with performance. This provides more opportunities for organizations to work to improve performance (Guimaraes and Igbaria, 1994). Saarinen (1996), by studying the IT development projects in major Finnish Companies, also provides measurement scales for four

dimensions of success – the development process, use process, IT product quality and impact of the IT on the organization.

Marketing and Production–Oriented Corporate Culture on Organizational Performance

In model we define two corporate cultures, marketing and production. Marketing cultures include a market orientation where organizations develop and maintain a viable fit between the organization's objectives, skills and resources to the changing market opportunities (Jaworski and Kohli, 1993). In effect, market-oriented organizations design their products and service offerings to meet customer needs with a profit. Business success depends on effective analysis of marketing opportunities, researching and selecting target markets, designing marketing strategies, planning marketing programs and organizing, implementing and controlling and marketing effort (Kotler, 2000). Waldera (2000) credits corporate culture as "the single most important determinant of a company's ability to adapt to market forces". The production – oriented business on the other hand, concentrate on achieving high production efficiency, low costs and mass distribution. They operate on the assumption that consumers prefer products that are widely available and inexpensive. Success is based on technological efficiency through cost cutting. Customer – oriented culture serves to make organizations more responsive to customer needs (Webster, 1988; Kutner, 1987), whereas a competitor – oriented organization works to perform well relative to the competition (Armstrong and Collopy, 1996, Hendo 1986) instead of profit maximization (Mucllar, 1992) or market share.

2.2.2   EFFECTS OF ORGANIZATIONAL CULTURE ON PERFORMANCE

There are four views on the relationship between organizational cultures on performance.

1. Perhaps, the most common one is the so – called strong – culture thesis. It has often been assured that commitment of an organizations employees and managers to the same set of values, beliefs and norms will have positive results – that the strength of corporate culture is directly correlated with the level of profits in a company (e.g. Dennison, 1984). Researchers adopting this hypothesis tend to place new kinds of human relations (involving employees in decision making, allowing them some discretion, developing holistic relations, etc) at the core of organizational culture (e.g. Peters and Waterman, 1982; Ouchi, 1981). It is frequently argued that a distinct organizational culture contributes to performance through facilitating goal alignment – a common culture makes it easier to agree upon goals as well as appropriate means for attaining them. There are also positive effects on motivation – a shared culture encourages people to identify with the organization and feel belongingness and responsibility for it, it is assured (Brown, 1995).

2. There are also, however, researchers that suggest the reverse relationship between culture and performance: that high performance leads to the creation of a strong corporate culture (cultural homogeneity). It is possible that success brings about a common set of orientations, believes and values. A particular work place spirit may develop and there may be little incentive or encouragement to questions "ways of doing things", thus forming broad consensus and possibly conformism. This culture may be more than just a by-product of high performance: values and meanings may reproduce a successful organization and thus contribute to performances. It may be a source of conservatism and a liability in situations calling for radical change.

3.   Another idea draws upon contingency thinking to suggest that under certain conditions, a particular type of culture is appropriate, even necessary, and contributes to efficiency. Wilkins and Ouchi (1983), for example, consider culture an important regulatory mechanism in organizational settings too complex and ambiguous to be controlled by traditional means (bureaucracy and the market). In corporate situations where these means of regulation function well, corporate control as a distinct form is less significant.

4.   Still another version says that "adaptive cultures" are the key to good performance, i.e. cultures that are able to respond to changes in the environment. Such cultures are characterized by people willing to take risk, trust each other, are proactive, work together to identify problems and opportunities, etc. It may be tempting to say that "adaptive cultures" are self-evidently superior. There easily enters an element of tautology here; 'adaptive' implying successful adoption and this is per definition good for business. But as Brown (1995) remarks, there are organizations that are relatively stable and fit with a relatively stable environment, and risk – taking and innovation are not necessarily successful. Too much change can lead to instability, low cost-efficiency, risk projects and a loss of sense of direction.

2.2.3   MAINTAINING AN ORGANIZATIONAL CULTURE FOR EFFECTIVE PERFORMANCE

Armstrong (2006) further opines that every organization has its own unique culture which every member is expected to abide by. There are three major factors that play a significant role in sustaining organizational culture. They are:

i.   Selection

ii.   Top management / Executives

iii.   Socialization

Selection: Selection process is concerned with luring people who have the skills, knowledge, abilities and capabilities to perform a job creditably in an organization. It is believed that those who are hired will match and fit in very well with the mapped out jobs and values of the organization. During the selection process, information provided to candidates about the organization and information about the candidates are given to the organization so as to know whether one fits in or mismatches. Selection is therefore a two way process, allowing either party to quit if felt otherwise. By an organization passing through a selection process, helps to sustain the organizational culture because they will select those candidates who meet the organizational values and requirements based on their culture.

Top Management/Executives: The executives of an organization contribute to a large extent in sustaining the organization culture. Their actions will speak louder than voice, through what they say, how they behave and how they go about their jobs. They institute the cultural norms as to whether taking risk is worth doing, adequate dressing code, actions that could likely lead to promotions, demotions etc.

Socialization: New employees need some orientation and indoctrination before they could properly fit into the organization well. New employees are most likely to question the organizational customs, beliefs and norms that are in place. It is the sole responsibility of the organization to help the new employees adapt to the culture of this organization and this is what is referred to as socialization. Non-conformist are always shown the ways out.

2.2.4   THE FUNCTIONS OF ORGANIZATIONAL CULTURE ON PERFORMANCE

Zhang (2010) highlight several functions of organizational culture;

- **The guiding function of organizational culture:** The guiding function of organizational culture refers to the culture that lead the whole organization and all the employee's personal value and behavioural orientation towards the goal of organization. The essence of the construction of outstanding organizational culture is to set up internal force mechanism. The construction of the mechanism makes vast staff recognize that the organization is striving for lofty goal, which not only can produce creative tactics but also can make staff dare to make individuals sacrifice for realizing organizational goal.

- **The standardizing function of organizational culture**: Through establishing common value system, organizational culture forms unified thought, make faith from a kind of tendency on the staff's psychological deep layer, and then a kind of response mechanism reconstructed in the transformation. As long as there is an inducement signal from outside, positive response will take place, and turn into the anticipated behaviour rapidly. By coordination and self-control, the collision of restrain to employees is weakened, the conflict of autonomy psychology with the reality of being managed is relieved, which makes a unifying, and harmonious organization from the top to the bottom.

- **The agglomerating function of organizational culture**: Organizational culture is the group consciousness created by the staff together. It is a kind of binder, unites the people of all respects and all levels around organizational culture, and makes cohesiveness and centripetal force to organization. Organizational culture connects employee's personal thoughts and feelings, and destiny with the safety of organization closely. At the same time, employee has a sense of ownership and acceptance to the organization.

- **The motivating function of organizational culture**: Organizational culture emphasizes on regarding people as the centre, its core is to create common values. Outstanding

organizational culture means creating a kind of atmosphere that everybody is paid attention to and respected. Excellent cultural atmosphere usually may produce a kind of incentive mechanism which makes each member's contribution get other employee's and leader's appreciation and reward in time. By this way, encouraging the employees dare to dedicate themselves, make unceasing progress and constant innovation in order to realize self-value and the development of organization. In addition, the establish of organizational culture, not only influence enterprise itself, but also have a certain impact on public, as well as domestic and international enterprises, it forms a part of social culture while improving enterprise's popularity, that is to say, organizational cultures has enormous radiating function.

2.2.5   HOW TO CHANGE AN ORGANIZATIONAL CULTURE

Changing an organization's culture is extremely difficult, but cultures can be changed. For example, Lee Lacocca came to Chrysler Corp in 1978, when the company appeared to be only weeks away from bankruptcy. It took him about five years but, in what is now a well-worn story, he took Chrysler's conservative, inward-looking, and engineering-oriented culture and changed it into an action-oriented, market-responsive culture. The evidence suggests that cultural change is most likely to take place when most or all of the following conditions exist:

A *Dramatic Crisis:* This is the shock that undermines the status quo and calls into question that relevance of the current culture. Examples of these crises might be a surprising financial setback, the loss of a major customer, or a dramatic technological breakthrough by a competitor. Executives at pepsi cola and Ameritech even admit to creating crises in order to stimulate cultural change in their organizations.

Turnover in Leadership: New top leadership, which can provide an alternative set of key values, maybe perceived as more capable of responding to the crisis. This would definitely be the organization's chief executive but also might need to include all senior management positions. The hiring of outside CEOs at IBM (Louis Gerstner) and General Motors (Jack Smith) illustrate attempts to introduce new leadership.

Young and Small Organization: The younger the organization, the less entrenched its culture will be. Similarly, its easier for management to communicate its new values when the organization is small. This again helps explain the difficulty that multibillion-dollar corporations have in changing their cultures.

Weak Culture: The more widely held a culture is and the higher the agreement among members on its values, the more difficult it will be to change. Conversely, weak cultures are more amenable to change than strong ones.

If conditions support cultural change, you should consider the following suggestions:

1. Have top management people become positive role models, setting the tone through their behaviour.

2. Create new stories, symbols and rituals to replace those currently in vogue.

3. Select, promote, and support employees who espouse the new values that are sought.

4. Redesign socialization process to align with the new values

5. Change the reward system to encourage acceptance of a new set of values.

6. Replace unwritten norms with formal rules and regulations that are tightly enforced.

7. Shake up current subcultures through transfers, job rotation, and or termination.

8. Work to get peer group consensus through utilization of employee participation and creation of a climate with a high level of trust.

Implementing most or all of these suggestions will not result in an immediate or dramatic shift in the organization's culture. In the final analysis, cultural change is a lengthy process-measured in years rather than months. But if the question is, "can culture be changed?" the answer is "YES".

Furthermore, cultural change typically refers to radical versus limited change. It is not easy to achieve, it is a difficult, complicated, demanding effort that can take several years to accomplish. There are three basic types of cultural change (Trice and Beyer, 1991):

i.   Revolutionary and comprehensive efforts to change the culture of the entire organization

ii.   Efforts that are gradual and incremental but nevertheless are designed to cumulate so as to produce a comprehensive reshaping of the entire organizational culture

iii.   Efforts confined to radically change specific subcultures or cultural components of the overall differentiated culture.

Strategies for effecting cultural change include (Schein, 1999);

a.   Unfreezing the old culture creating motivation to change

b.   Capitalizing on propitious moments – problems, opportunities, changed circumstances, and/or accumulated excesses or deficiencies of the past.

c.   Making the change target concrete and clear

d.   Maintaining some continuity with the past

e.   Creating psychological safety through a compelling positive vision, formal training, informal training of relevant groups and teams, providing coaches and positive role models, employee involvement and opportunities for input and feedback, support groups, and addressing fears and losses head on

f.   Selecting, modifying, and creating appropriate cultural forms, behaviours, artifacts, and socialization tactics

g.   Cultivating charismatic leaders

h.   Having a realistic and solid transition plan

i.   Exercising risk management by understanding and addressing the risks and the benefits as well as the potential inequitable distribution of these risked and benefits

2.2.6   CULTURE AND MANAGERIAL ACTION ON PERFORMANCE

While founders and managers play a critical role in the development, maintenance and communication of organization culture, this same culture shapes and controls the behaviour of all employees, including managers themselves. For example, culture influences the way managers perform their four main functions: planning, organizing, leading and controlling. As we consider these functions, we will distinguish between top managers who create organizational values and norms that encourage creative, innovative behaviour and top managers who encourage a conservative, cautious approach by their subordinates. It should be noted that the kinds of values and norms can be appropriate depending upon the situation and type of organization.

Planning: Top managers in an organization with an innovative culture are likely to encourage lower-level managers to participate in the planning process and develop a flexible approach to planning. They are likely to be willing to listen to new ideas and to take risks involving the development of new products. In contrast, top managers in an organization with conservative values are likely to emphasize formal top-down planning. Suggestions from lower-level managers are likely to be subjected to a formal review process, which can significantly slow decision making. Although this deliberate approach may improve the quality of decision making

in a nuclear power plant, it can have unintended consequences. In the past, at conservative IBM, the planning process became so formalized that managers spent most of their time assembling complex slide shows and overheads to defend their current positions rather than thinking about what they should be doing to keep IBM abreast of the changes taking place in the computer industry. When former CEO Lou Gerstner took over, he used every means at his disposal to abolish this culture, even building a brand-new campus – style headquarters to change managers' mind-sets. IBM's culture is undergoing further changes initiated by its new CEO, Samuel Palmisano.

Organizing: What kinds of organizing will managers in innovative and in conservative cultures encourage? Valuing creativity, managers in innovative cultures are likely to try to create an organic structure, one that is flat, with few levels in the hierarchy, and one in which authority is decentralized so that employees are encouraged to work together to find solutions to ongoing problems. A product team structure may be very suitable for an organization with an innovative culture. In contrast, managers in a conservative culture are likely to create a well-defined hierarchy of authority and establish clear reporting relationships so that employees know exactly whom to report to and how to react to any problems that arise.

Leading: In an innovative culture, managers are likely to lead by example, encouraging employees to take risks and experiment. They are supportive regardless of whether employees succeed or fail. In contrast, managers in a conservative culture are likely to use management by objectives and to constantly monitor subordinates' progress towards goals, overseeing their every move.

Controlling: The ways in which managers evaluate, and take actions to improve, performance differ depending upon whether the organizational culture emphasizes formality and caution or

innovation and change. Managers who want to encourage risk taking, creativity, and innovation recognize that there are multiple potential paths to success and that failure must be accepted in order for creativity to thrive. Thus, they are less concerned about employees' performing their jobs in a specific, predetermined manner and in strict adherence to preset goals and more concerned about employees' being flexible and taking the initiative to come up with ideas for improving performance. Managers in innovative culture are also more concerned about long-run performance than short-run targets because they recognize that real innovation entails much uncertainty that necessitates flexibility. In contrast, managers in cultures that emphasize caution and maintenance of the status quo often set specific, difficult goals for employees, frequently monitor progress toward these goals, and develop a clear set of rules that employees are expected to adhere to.

The values and norms of an organization's culture strongly affect the way managers perform their management functions. The extent to which managers buy into the values and norms of their organization shapes their view of the world and their actions and decisions in particular circumstances. In turn, the actions that managers take can have an impact on the performance of the organization. Thus, organizational culture, managerial action, and organizational performance are all linked together. This link is apparent at Hewlett – Packard (HP), a leader in the electronic instrumentation and computer industries. Established in the 1940s, HP developed a culture that is an outgrowth of the strong personal beliefs of the company's founders, William Hewlett and David Packard. Bill and Dave, as they are known within the company, formalized HP's culture in 1957 in a statement of corporate objectives known as the "HP way". The basic values informing the HP way stress serving everyone who has a stake in the company with integrity and fairness, including customers, suppliers, employees, stockholders, and society in

general. Bill and Dave helped build this culture within HP by hiring likeminded people and by letting the HP way guide their own actions as managers. Although the Hewlett – Packard example and our earlier example of IDEO illustrate how organizational culture can give rise to managerial actions that ultimately benefit the organization, this is not always the case. The cultures of some organizations become dysfunctional, encouraging managerial actions that harm the organization and discouraging actions that might lead to an improvement in performance. Recent corporate scandals at large companies like Enron, Tyco, and Werldcom show how damaging a dysfunctional culture can be to an organization and its members. For example, Enron's arrogant, "success-at-all costs" culture led to fraudulent behaviour on the part of its top managers. Unfortunately, hundreds of Enron employees have paid a heavy price for the unethical behaviour of these top managers and the dysfunctional organizational culture.

2.2.7   CULTURAL DIMENSIONS ON ORGANIZATIONAL PERFORMANCE

The pioneering work on cultural measurement could be credited to Hofstede (1980). In the earlier stage, Hofstede identified four dimensions of culture on performance and highlights the most important culture differences in a multinational company. The four dimensions are individualism versus collectivism, power distance, uncertainty avoidance and masculinity and femininity. These four dimensions were initially detected through the comparison of the value among the employees and managers working in 53 national subsidiaries of the IBM Corporation. It can be concluded that organizational culture comprises of unique quality or character of a company meanwhile the managers are challenged to search for the "strong" culture that probably could improve the organizational effectiveness because it is strongly believed that there are cause and effect associated with each cultural dimension on organizational performance.

Organizational culture is an idea in the field of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. It has been defined as "the specific collection and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

This definition continues to explain **organizational values** also called as "beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals". From organizational values develop organizational norms, guidelines, or expectations that prescribe appropriate kinds of behaviour by employees in particular situations and control the behaviour of organizational members towards one another for effective organizational performance to achieve organizational goals.

Much research on organization culture is dominated by a preoccupation with a limited set of meanings, symbols, values and ideas presumed to be manageable and directly related to effectiveness and performance (Alvesson, 2002). Moreover, organizational performance is excessively conceptualized from a financial point of view and its indicators are mostly financially grounded (Morin, Savoie and Beaudin, 1994; Savoie and Morin, 2002).

Alternative understandings are proposed Morin, Savoie and Beaudin (1994), Savoie and Morin (2002), and Cameron and Whetten (1983), Cameron and Whetten (1983) and their collaborators contemplate organizational effectiveness from multiple perspectives such as the interactionist,

the interpretativist, and the political perspectives. They assure that "Complexity and ambiguity in effectiveness model are (…) required to map the complexity and ambiguity of organizations" (Cameron and Whetten, 1983:11). According to Morin, Savoie and Beaudin (1994) and Savoie and Morin (2002), organizational effectiveness and performance are social constructs elaborated from the representations, interests and conceptions that influence the development of people and groups vis-à-vis activities, outcomes and processes. As a consequence, multiple social representations of effectiveness are explored and suggested, such as the economic, the psychosocial, the systemic, the political and the ecological representations (Morin, Savoie and Beaudin, 1994; Savoie and Morin, 2002). Cultural dimensions can be divided into the following sub-headings:

*Power Distance***:** This is dimension of culture that refers to the inequality among the people of a nation.

Individualism: This is dimension of culture that refers to the extent to which people in a country prefer to act as individuals instead of members of groups.

*Masculinity/***femininity**: This is dimension of culture that refers to the degree to which "masculine" value prevails over "feminine" values.

Uncertainty Avoidance: This is dimension of culture that refers to the preference of people in a country for structured rather than unstructured situations.

Long-Term Orientation: This is dimension of culture that refers to the preference of people in a country for long-term values as opposed to short-term values.

2.2.8 THE CULTURAL WEB OF AN ORGANIZATION ON PERFORMANCE

In order to help describe and understand the culture of an organization, Johnson, Scholes and Whittington present a cultural web, which brings together different aspects for the analysis of organizational culture for positive productivity/performance/outcome.

Cultural web is a factor that brings together different aspects for the analysis of organizational culture.
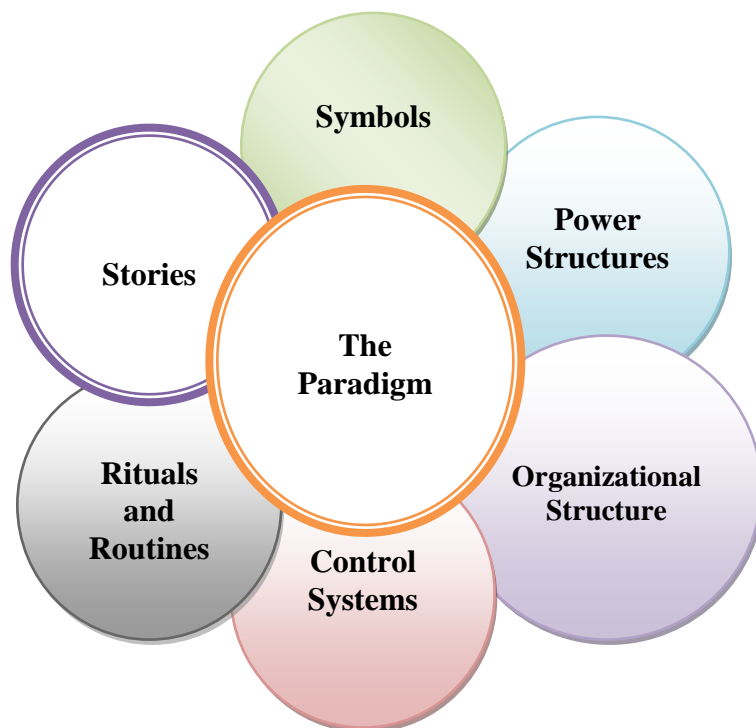
Fig. 2.4: The cultural web of an organization

Source: *Scholes,K.et al.. (2005:202), Exploring Corporate Strategy, Financial Times, Prentice Hall.*

Routine Behaviour – This is ways in which members of organization behave towards each other and towards those outside the organization and which make up how things are done or how things should happen for effectiveness and productivity of the organization.

Rituals - This is the particular activities or special events through which the organization emphasizes what is particularly important to the organization for profitability; it can include formal organizational processes and informal processes.

Stories – Stories are told by members of the organization that embed the present and flag up important events and personalities, and typically have to do with success, failures, heroes, villains and mavericks. All these are geared towards positive reinforcement on the performance of the organization.

Symbols – Symbols such as Logos, offices, cars, titles, type of language or terminology commonly used – which become a shorthand representation of the nature of the organization, its goodwill and what they produce and quality of their products.

Power Structure – The power of the most powerful individuals or groups in the organization may be based on management position and seniority, but in some organizations, power can be lodged with other levels or functions positively for effective performance i.e. chain of command (organizational chart).

Control System – The measurement and reward systems that emphasize what it is important to monitor, and focus attention and activity upon – for example, stewardship of funds or quality of service.

Organization Structure – This reflects power structures and delineates important relationship and activities within the organization, and involves both formal structure and control and less formal system.

The Paradigm – The paradigm of the organization encapsulates and reinforces the behaviours observed in other elements of the cultural web.

2.2.9   STRONG VERSUS WEAK CULTURE ON ORGANIZATIONAL PERFORMANCE

Although all organizations have cultures, some appear to have stronger, more deeply rooted cultures than others. Initially, a strong culture was conceptualized as a coherent set of beliefs values, assumptions, and practices embraced by most members of the organization. The emphasis was on (1) the degree of consistency of beliefs, values, assumptions, and practice across organizational members, and (2) the pervasiveness (number) of consistent beliefs, values, assumptions, and practices. Many early proponents of organizational culture tended to assume that a strong, pervasive culture was beneficial to all organizations because it fostered motivation, commitment, identity, solidarity, and sameness, which in turn, facilitated internal integration and coordination. Some, however, noted that a strong culture might be more important for some types of organizations than others. For example, volunteer organizations may need to stress culture more than business organizations. Still others noted potential dysfunctions of a strong culture, to the point of suggesting that a strong culture may not always be desirable. For example, a strong culture and the internalized controls associated with it could result in individuals placing unconstrained demands on themselves, as well as acting as a barrier to adaptation and change. A strong culture could also be a means of manipulation and co-optation (Perrow, 1979). It could further contribute to a displacement of goals or subgoal formation, meaning that behavioural norms and ways of doing things become so important that they begin to overshadow the original purpose of the organization (Merton, 1957; March and Simon, 1958).

Culture was initially seen as a means of enhancing internal integration and coordination, but the open system view of organizations recognized that culture is also important in mediating adaptation to the environment. The traditional view of a strong culture could be contrary to the

ability of organizations to adapt and change. Seeing culture as important for facilitating organizational innovation, the acceptance of new ideas and perspectives, and needed organizational change may require a different, or more nuanced, view of organizational culture.

Schein (2002) notes that, indeed, a strong organizational culture has generally been viewed as a conservative force. However, in contrast to the view that a strong organizational culture may be dysfunctional for contemporary business organizations that need to be change-oriented, be argues that just because a strong organizational culture is fairly stable does not mean that the organization will be resistant to change. It is possible for the content of a strong culture to be change-oriented, even if strong organizational cultures in the past typically were not. He suggests that the culture of modern organizations should be strong but limited, differentiating fundamental assumptions that are pivotal (vital to organizational survival and success) from everything else that is merely relevant (desirable but not mandatory). Today's organizations, characterized by rapidly changing environments and internal workforce diversity, need a strong organizational culture but one that is less pervasive in terms of prescribing particular norms and behavioural patterns than may have existed in the past. This view was supported by Collins and Porras (2004) in their famous study (Built to last) of companies that had strong and lasting performance.

2.3   THEORETICAL FRAMEWORK

Organizational Culture Theory:

Organizational Culture Theory "has become a major theoretical rallying point" (Mumby, 2000). Pacanowsky and O'Donnell-Trujillo were instrumental in directing researchers' attention toward an expansive understanding of organizations. The theoretical principles of the theory emphasize

that organizational life is complex and that researchers must take into consideration not only the members of the organization but their behaviors, activities, and stories. The appeal of Organizational Culture Theory has been far and wide, resulting in a heuristic theory. For instance, it has framed research examining Muslim employees (Alkhazraji, 1999), law enforcement officers (Frewin and Tuffin, 2008), and pregnant employees (Halpert and Burg, 2007). Even more relevant to us in higher education, the theory has been used to study the stories of undergraduate students and their perceptions of "fitting in" at a college or university (Kramer and Berman, 2001). The approach is also useful because much of the information from the theory (e.g., symbols, stories, rituals) has direct relevance to many different types of organizations and their employees. Because the theorists' work is based on real organizations with real employees, the researchers have made the theory more useful and practical.

Finally, the logical consistency of the model should not go unnoticed. Recall that logical consistency refers to the notion that theories should follow a logical arrangement and remain consistent. From the outset, Pacanowsky and O'Donnell-Trujillo did not stray from their belief that the organization's culture is rich and diverse; listening to the communicative performances of organizational members is where we must begin in understanding corporate culture. This is the basis from which much of the theory gained momentum. The appeal of the theory is tempered by its criticisms. First, Eric Eisenberg and H. L. Goodall (2008) observe that Organizational Culture Theory relies heavily on the shared meaning among organizational members. They comment that "most cultures show considerably more alignment in practice than they do in the attitudes, opinions, or beliefs of individual members". Second, Organizational Culture Theory suffers from expansive boundaries. For instance, cultural performances constitute

a critical part of an organization's culture, and when you consider that performances may address almost any topic, the vastness (and potential vagueness) of the theory becomes apparent.

Finally, Organizational Culture Theory may view organizational life as too unique. Pacanowsky and O'Donnell-Trujillo argue that organizational cultures differ because the interactions within those cultures differ, so generalizing about life in organizations is nearly impossible. Consider Fran Callahan, for instance. Researchers using a symbolic-interpretive perspective in studying the organizational culture of Grace's Jewelers may also be interested in studying the corporate culture of Jewelry Plus. As our examples have shown, each is a unique organization with unique organizational environments. Because ethnography requires thick description of each, it may be difficult if not impossible to point out the similarities for generalization purposes. As Stephen Littlejohn (2002) argues, the theory presupposes that organizations must be studied independently, and in doing so, generalizing across organizations is difficult. Pacanowsky (1999) responds to his critics by noting that the theory is more concerned with the unique values of an organization and not the "reproducibility of representation". In fact, early writings by Pacanowsky and O'Donnell-Trujillo were clear in noting that although there may be shortcomings in the perspective, the authors believe that the time is ripe to forge a new path in asking questions about organizations. They recognize that critics may be quick to judge the feasibility and effectiveness of their approach; yet the theory's value outweighs the criticisms.

Organizational Culture Theory, articulated by Pacanowsky and O'Donnell-Trujillo, will continue to elicit opinion in the communication discipline. It is a way of "rethinking communication" (Dervin, Grossberg, O'Keefe, and Wartella, 2001), and its value will continue to be realized by scholars of all methodological stripes. Perhaps looking at organizational culture in this way will

enable researchers to appreciate the importance of connecting with the people and their performances in an organization (http://highered.mcgraw-hill.com/sites/).

Douglas McGregor's Theory X and Theory Y:

In his 1960 management book, "The Human Side of Enterprise", **Douglas McGregor** made his mark on the history of organizational management and motivational psychology when he proposed the two theories by which managers perceive employee motivation. He referred to these opposing motivational methods as **Theory X** and **Theory Y** management. Each assumes that the manager's role is to organize resources, including people, to best benefit the company. However, beyond this commonality, they're quite dissimilar.

Theory X Management

According to McGregor, Theory X leadership assumes the following:

- Work is inherently distasteful to most people, and they will attempt to avoid work whenever possible.
- Most people are not ambitious, have little desire for responsibility, and prefer to be directed.
- Most people have little aptitude for creativity in solving organizational problems.
- Motivation occurs only at the physiological and security levels of Maslow's Needs Hierarchy.
- Most people are self-centered. As a result, they must be closely controlled and often coerced to achieve organizational objectives
- Most people resist change.

- Most people are gullible and unintelligent.

Essentially, theory x assumes that the primary source of most employee motivation is monetary, with security as a strong second.

The Hard Approach and Soft Approach

Under Theory X, management approaches to motivation range from a hard approach to a soft approach. The hard approach to motivation relies on coercion, implicit threats, micromanagement, and tight controls -- essentially an environment of command and control. The soft approach, however, is to be permissive and seek harmony in the hopes that, in return, employees will cooperate when asked. However, neither of these extremes is optimal. The hard approach result in hostility, purposely low-output, and extreme union demands. The soft approach results in increasing desire for greater reward in exchange for diminishing work output. It would appear that the optimal approach to human resource management would be lie somewhere between these extremes. However, McGregor asserts that neither approach is appropriate since the foundations of theory x are incorrect.

The Problem with Theory X

Drawing on [Maslow's Hierarchy of Needs](), McGregor argues that a need, once satisfied, no longer motivates. The company relies on monetary rewards and benefits to satisfy employees' lower level needs. Once those needs have been satisfied, the motivation is gone. This management style, in fact, hinders the satisfaction of higher-level needs. Consequently, the only way that employees can attempt to satisfy higher level needs at work is to seek more compensation, so it is quite predictable that they will focus on monetary rewards. While money

may not be the most effective way to self-fulfillment, it may be the only way available. People will use work to satisfy their lower needs, and seek to satisfy their higher needs during their leisure time. Unfortunately, employees can be most productive when their work goals align with their higher level needs. McGregor makes the point that a command and control environment is not effective because it relies on lower needs for motivation, but in modern society those needs are mostly satisfied and thus no longer motivate. In this situation, one would expect employees to dislike their work, avoid responsibility, have no interest in organizational goals, resist change, etc., thus creating a self-fulfilling prophecy. To McGregor, motivation seemed more likely with the Theory Y model.

Theory Y

The higher-level needs of esteem and self-actualization are continuing needs in that they are never completely satisfied. As such, it is these higher-level needs through which employees can best be motivated. In strong contrast to Theory X, Theory Y leadership makes the following general assumptions:

- Work can be as natural as play if the conditions are favorable.

- People will be self-directed and creative to meet their work and organizational objectives if they are committed to them.

- People will be committed to their quality and productivity objectives if rewards are in place that address higher needs such as self-fulfillment.

- The capacity for creativity spreads throughout organizations.

- Most people can handle responsibility because creativity and ingenuity are common in the population.

- Under these conditions, people will seek responsibility.

Under these assumptions, there is an opportunity to align personal goals with organizational goals by using the employee's own need for fulfillment as the motivator. McGregor stressed that Theory Y management does not imply a soft approach.

McGregor recognized that some people may not have reached the level of maturity assumed by Theory Y and therefore may need tighter controls that can be relaxed as the employee develops.

XY Theory Management Application - Business Implications for Workforce Motivation

If Theory Y holds true, an organization can apply these principles of scientific management to improve employee motivation:

- Decentralization and Delegation - If firms decentralize control and reduce the number of levels of management; managers will have more subordinates and consequently will be forced to delegate some responsibility and decision making to them.
- Job Enlargement - Broadening the scope of an employee's job adds variety and opportunities to satisfy ego needs.
- Participative Management - Consulting employees in the decision making process taps their creative capacity and provides them with some control over their work environment.
- Performance Appraisals - Having the employee set objectives and participate in the process of evaluating how well they were met.

If properly implemented, such an environment would result in a high level of workforce motivation as employees work to satisfy their higher level personal needs through their jobs (http://www.envisionsoftware.com/articles/Theory_X.html).

Locke's Goal Setting Theory:

Goal setting is a powerful way of motivating people, and of motivating yourself. The value of goal setting is so well recognized that entire management systems, like Management by Objectives, have goal setting basics incorporated within them. In fact, goal setting theory is generally accepted as among the most valid and useful motivation theories in industrial and organizational psychology, human resource management, and organizational behavior.

Many of us have learned – from bosses, seminars, and business articles – to set SMART goals. It seems natural to assume that by setting a goal that is Specific, Measurable, Attainable, Relevant, and Time-bound, we will be well on our way to accomplishing it. But is this really the best way of setting goals? To answer this, we look to Dr Edwin Locke's pioneering research on goal setting and motivation in the late 1960s. In his 1968 article "Toward a Theory of Task Motivation and Incentives," he stated that employees were motivated by clear goals and appropriate feedback. Locke went on to say that working toward a goal provided a major source of motivation to actually reach the goal – which, in turn, improved performance. This information does not seem revolutionary to us some 40 years later. This shows the impact his theory has had on professional and personal performance. In this article, we look at what Locke had to say about goal setting, and how we can apply his theory to our own performance goals.

Goal Setting Theory

Locke's research showed that there was a relationship between how difficult and specific a goal was and people's performance of a task. He found that specific and difficult goals led to better task performance than vague or easy goals. Telling someone to "Try hard" or "Do your best" is less effective than "Try to get more than 80% correct" or "Concentrate on beating your best time." Likewise, having a goal that's too easy is not a motivating force. Hard goals are more motivating than easy goals, because it's much more of an accomplishment to achieve something that you have to work for. A few years after Locke published his article, another researcher, Gary Latham (2003), studied the effect of goal setting in the workplace. His results supported exactly what Locke had found, and the inseparable link between goal setting and workplace performance was formed.

In 2000, Locke and Latham published their seminal work, "A Theory of Goal Setting and Task Performance." In this book, they reinforced the need to set specific and difficult goals, and they outlined three other characteristics of successful goal setting.

Five Principles of Goal Setting

To motivate, goals must have:

1. Clarity.
2. Challenge.
3. Commitment.
4. Feedback.
5. Task complexity.

Let's look at each of these in detail.

- **Clarity**

Clear goals are measurable and unambiguous. When a goal is clear and specific, with a definite time set for completion, there is less misunderstanding about what behaviors will be rewarded. You know what's expected, and you can use the specific result as a source of motivation. When a goal is vague – or when it's expressed as a general instruction, like "Take initiative" – it has limited motivational value. To improve your or your team's performance, set clear goals that use specific and measurable standards. "Reduce job turnover by 15%" or "Respond to employee suggestions within 48 hours" are examples of clear goals. When you use the SMART acronym to help you set goals, you ensure the clarity of the goal by making it Specific, Measurable and Time-bound.

- **Challenge**

One of the most important characteristics of goals is the level of challenge. People are often motivated by achievement, and they'll judge a goal based on the significance of the anticipated accomplishment. When you know that what you do will be well received, there's a natural motivation to do a good job. Rewards typically increase for more difficult goals. If you believe you'll be well compensated or otherwise rewarded for achieving a challenging goal that will boost your enthusiasm and your drive to get it done. Setting SMART goals that are Relevant links them closely to the rewards given for achieving challenging goals. Relevant goals will further the aims of your organization, and these are the kinds of goals that most employers will be happy to reward. When setting goals, make each goal a challenge. If an assignment is easy

and not viewed as very important – and if you or your employee doesn't expect the accomplishment to be significant – then the effort may not be impressive. It's important to strike an appropriate balance between a challenging goal and a realistic goal. Setting a goal that you'll fail to achieve is possibly more de-motivating than setting a goal that's too easy. The need for success and achievement is strong; therefore people are best motivated by challenging, but realistic, goals. Ensuring that goals are Achievable or Attainable is one of the elements of SMART.

- **Commitment**

Goals must be understood and agreed upon if they are to be effective. Employees are more likely to "buy into" a goal if they feel they were part of creating that goal. The notion of participative management rests on this idea of involving employees in setting goals and making decisions. One version of SMART – for use when you are working with someone else to set their goals – has A and R stand for Agreed and Realistic instead of Attainable and Relevant. Agreed goals lead to commitment. This does not mean that every goal has to be negotiated with and approved by employees. It does mean that goals should be consistent and in line with previous expectations and organizational concerns. As long as the employee believes that the goal is consistent with the goals of the company, and believes the person assigning the goal is credible, then the commitment should be there. Interestingly, goal commitment and difficulty often work together. The harder the goal, the more commitment is required. If you have an easy goal, you don't need a lot of motivation to get it done. When you're working on a difficult assignment, you will likely encounter challenges that require a deeper source of inspiration and incentive. As you use goal setting in your workplace, make an appropriate effort to include people in their own

goal setting. Encourage employees to develop their own goals, and keep them informed about what's happening elsewhere in the organization. This way, they can be sure that their goals are consistent with the overall vision and purpose that the company seeks.

- **Feedback**

In addition to selecting the right type of goal, an effective goal program must also include feedback. Feedback provides opportunities to clarify expectations, adjust goal difficulty, and gain recognition. It's important to provide benchmark opportunities or targets, so individuals can determine for themselves how they're doing. These regular progress reports, which measure specific success along the way, are particularly important where it's going to take a long time to reach a goal. In these cases, break down the goals into smaller chunks, and link feedback to these intermediate milestones. SMART goals are Measurable, and this ensures that clear feedback can be provided. With all your goal setting efforts, make sure that you build in time for providing formal feedback. Certainly, informal check-ins are important, and they provide a means of giving regular encouragement and recognition. However, taking the time to sit down and discuss goal performance is a necessary factor in long-term performance improvement. See our article on Delegation for more on this.

- **Task Complexity**

The last factor in goal setting theory introduces two more requirements for success. For goals or assignments that are highly complex, take special care to ensure that the work doesn't become too overwhelming. People who work in complicated and demanding roles probably have a high level of motivation already. However, they can often push themselves too hard if measures aren't

built into the goal expectations to account for the complexity of the task. It's therefore important to do the following:

- Give the person sufficient time to meet the goal or improve performance.

- Provide enough time for the person to practice or learn what is expected and required for success.

The whole point of goal setting is to facilitate success. Therefore, you want to make sure that the conditions surrounding the goals don't frustrate or inhibit people from accomplishing their objectives. This reinforces the "Attainable" part of SMART. (http://www.mindtools.com/pages/article/newHTE_87.htm).

Agency Theory:

Agency theory is believed to be one of the most informative, useful, and interesting theories coming out of economics *ever*. It is surely also one of the most influential econ theories in management. Agency theory is, however, fundamentally complicated, and difficult to teach. I find it impossible to teach without making use of at least some math (specifically, simple versions of the linear model). In particular, grasping the role that the risk premium plays in the theory, and, in this connection, what is really the source of the agency loss is often very difficult for students. However, not only students but also management academics have difficulties understanding the theory.

Here are some examples of common mistakes in the management literature:

1. Conflating moral hazard and opportunism. This is one of the smaller sins and many economists have sinned here as well, thinking of moral hazard as "ex ante opportunism."

2.   Bounded rationality and asymmetric information. Agency theory emphatically does not make the assumption of bounded rationality. Contracting is not imperfect in this theory because of bounded rationality but because of asymmetric information.

3.   The perspective of the theory. Much critique of agency theory, e.g., by Charles Perrow, takes its starting point in the claim that it takes the perspective of the principal. It does not. It is a theory about joint value maximization and what self-interested parties can do to remedy obstacles to such maximization. It takes an agent perspective as much as it takes a principal perspective. What critics may have in mind is the assumption, mainly motivated by analytical convenience, that the principal has all the bargaining power.

4.   Types of agency theory. Some management writers, such as Nilakant and Rao, Organization Studies, claim a distinction between "positivist agency theory" (largely verbal, mainly concerned with corporate governance) and formal agency theory (think Bengt Holmström). While there may be more or less formal contributions to agency theory the analytical core is the same.

Motivation Hygiene Theory

This motivation theory was postulated by a psychologist called **Fredrick Herzberg.** His theory coincided with the lower and higher-level categories of Maslow's work. Herzberg believes that a person's concern to his/her work is a basic one and that his/her attitude towards the work can as well determine his/her level of success or failure. Herzberg wanted to know what exactly people want from their jobs, that would make them feel exceptionally good or bad about their jobs. From his responses, he classified the factors into two:- those that make people have job dissatisfaction he called hygiene factors are associated with job content such as: company policy and administration, supervision, inter-personal relations and working conditions. The second or

motivators include: such intrinsic job-content items like achievement, recognition, the work itself, responsibility, advancement and growth, these give job satisfaction while the extrinsic factors dissatisfied them. From his studies, he identified that the opposite of satisfaction is 'No Satisfaction' while the opposite of dissatisfaction is satisfaction. The theory states that only the motivators can motivate behaviour; fulfillment of the hygiene factors would simply prevent an individual from being dissatisfied, but does not contribute to positive satisfaction. Herzberg was only saying that two factors exist in a place of work: - Satisfiers and Dissatisfiers and that factors leading to job satisfaction are distinct from those leading to job dissatisfaction.

Theory Z

Theory Z was propounded by **Professor William Ouchi** of Japan in 1981 contends that factors responsible for Japan's Hi-Tech and economic progress are tied to three major factors namely:

a.   Trust

b.   Subtlety

c.   Intimacy

Professor Ouchi opines that productivity and trust are like siemens twins. He believes that trust, integrity and openness are very important attributes for organizational effectiveness and efficiency. When these three exist in an organization, chances of conflicts, bickering, backbiting, witch haunting and such vices are limited. Subtlety is another important factor of Ouchi's theory Z. In most organizations, workers exhibit changing behaviours. But for a manager who understands his workers and understands individual differences can easily identify who works well with whom. When workers are submissive to their superiors, there is always increase in productivity because there is interdependence and challenges are reduced. Everybody works to the accomplishing of the organizational goal. Trust and subtlety enhance productivity to a great

extent. Intimacy is concerned with social relationship between workers in their groups. The Oxford Advanced Learners Dictionary defines intimacy as a state of having a close personal relationship with another. In other words, when this kind of intimacy exists in an organization, definitely productivity will be high because of interdependency, openness and trust. Conclusively, we can say that productivity is a function of trust, subtlety and intimacy. The main features of Japanese progress stems from the above three factors.

In Nigerian work environment, it can be an over statement to categorically state that Trust, Subtlety and Intimacy are non existent. In out places of work, we are suspicious of each other, we do not trust ourselves let alone trusting others, since we are not subtle, how can we expect subtlety from others? In conclusion, there is need for these three administrative virtues, **Trust, Subtlety, and Intimacy** to exist in our work environment for effectiveness and efficiency that would enhance goal attainment.

Modern Organization Theory

According to Waldo, the publication of March and Simon's *Organizations* in 1958 marked the stage of **modern organization theory.** The modern approach endorses organizations that have less reliance on hierarchical controls, more recognized sources of authority, greater opportunity for personal mobility, and greater receptivity of organizational change. It is diverse and heterogeneous and highly subject to changing fashions. Modern organization theory has drawn its ideas from such varied sources as management science, sociology, social psychology, economics, and anthropology. It is founded on a belief in the "Universals" of organization's behaviour and, as a result, has shown little concern for public organizations as a separable subject of analysis. Finally, Waldo contends that modern organization theory continues to be

grounded in the values of twentieth century western culture, namely; science rationality, effectiveness, efficiency and productivity.

Achievement Motivation Need Theory

In his need theory, McClelland (1972) proposed an individual's specific needs are acquired over time and are shaped by ones life experiences. Most of these needs can be classified as either achievement, affiliation or power. A person's motivation and effectiveness in certain job functions are influenced by these three needs. McClelland's theory sometimes is referred to as the '*the need theory'* or as the *'learned needs theory'.*

Achievement

People with a strong need for achievement (n Ach) want to do well no matter which goal they pursue. They also desire personal responsibility and want quick feedback about how well they have done at a given task. They tend to avoid low-risk and high-risk situations. Achievers avoid low risk situations because they easily attained success is not a genuine achievement. In high risk projects, achievers see the outcome as one of chance, rather than ones own effort. High nAch individuals prefer work that has a moderate probability of success, ideally a 50% chance. Some jobs, as in sales are best for people with strong need for achievement because of the responsibility and feedback they provide. But researchers who spend years on one research are not in nAch individuals because their feedback rate is slow. Cameron (1978) argued that the need for achievement can be developed in people by getting them to believe that they can change and by helping them to set personal goals. This process also includes learning to speak the language of achievement. By this we mean that people can be taught to think, talk and act as if they were

achievement oriented. Need for achievement with training has recorded a lot of success with people.

Affiliation

Those with a high need for affiliation (nAFF) need harmonious relationship with other people and need to feel accepted by other people. They tend to conform to the norms of their work group. High nAFF individuals prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

Power

The need for power (nPow) can be of two types, personal and institutional. Those who need personal power want to dominate others for the sake of dominating, deriving satisfaction from conquering others. This personal power is perceived as undesirable. People who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. They can lead a group to achieve a goal. McClelland's work on need theory gives a view of workers needs. It also suggests that appropriate training might actually develop employee's needs in such ways that might benefit both their careers and the organization. He said that most people posses and exhibit a combination of these characteristics. Some people exhibit a strong bias to a particular motivational needs, and this motivational or needs; 'mix' consequently affects their behaviour and working/managing style. Cooke (1982) suggests that a strong n-affil "affiliation-motivation" undermines a manager's objectivity, because of their need to be liked, and that this affects a manager's decision-making capability. A strong n-pow 'authority-motivation' will produce a determine work ethic and commitment to the organization, and while n-pow people are attracted to the leadership role, they may not posses

the required flexibility and people-centered skills. Stone (1990) argues that n-ach people with strong 'achievement motivation' make the best leaders, although there can be a tendency to demand too much of their staff in their belief that they are all similarly and highly achievement-focused and results driven, which course most people are not.

McClelland's particular fascination was for achievement motivation, and this laboratory experiment illustrates one aspect of his theory about the effect of achievement on people's motivation. He asserted via this experiment that while most people do not possess a strong achievement-based motivation, those who do, display a consistent behaviour in setting goals. Volunteers were asked to threw rings over pegs rather like the fairground game; no distance was stipulated, and most people seemed to threw from arbitrary, random distances, sometimes close, sometimes farther away. However a small group of volunteers, whom McClelland suggested were strongly achievement-motivated, took some care to measure and test distances to produce an ideal challenge-not too easy, and not impossible. Interestingly a parallel exists in biology, known as the 'overload principle', which is commonly applied to fitness and exercising, i.e. in order to develop fitness and/or strength the exercise must be sufficiently demanding to increase existing levels, but not so demanding as to cause damage or strain. Kreitner (1993) identified the same need for a 'balanced challenges' in the approach of achievement –motivated people. Kreitner contrasted achievement-motivated people with gamblers, and dispelled a common pre-conception that n-ach 'achievement-motivated' people are big risk takers. On the contrary-typically, achievement-motivated individuals set goals which they can influence with their effort and ability, and as such the goal is considered to be achievable. This determined results-driven approach is almost invariably present in the character make-up of all successful business people

and entrepreneurs. McClelland suggested other characteristics and attitude of achievement-motivated people.

- Achievement is more important than material or financial reward.

- Achieving the aim or task gives greater personal satisfaction than receiving praise or recognition.

- Financial reward is regarded as a measurement of success, not an end in itself.

- Security is not prime motivator, nor is status.

- Feedback is essential, because it enables measurement of success, not for reasons of praise or recognition (the implication here is that feedback must be reliable, quantifiable and factual).

- Achievement-motivated people will logically favour jobs and responsibilities that naturally satisfy their needs, i.e offer flexibility and opportunity to set and achieve goals, e.g. sales and business management, and entrepreneurial roles.

McClelland firmly believed that achievement-motivated people are generally the ones who make things happen and get results, and that this extends to getting results through the organization of other people and resources, although as stated earlier, they often demand too much of their staff because they prioritize achieving the goal above the many varied interests and needs of their people.

2.4   EMPIRICAL REVIEW

The empirical review was drawn from the objectives of the study. In the course of the field survey, questionnaire and oral interview were used to empirically ascertain the culture and performance link in determining the organizational performance. The five companies under

review are Nigerian Breweries Plc, Juhel Nigeria Ltd, Unilever Nigeria plc, Chucks International Plc and PZ Industries Plc.

2.4.1 Organizational culture enhances organizational commitment to performance

Empirical research on the extent to which organizational culture enhances organizational commitment to performance, Geertz (2000) in his work concludes that where there is no organizational culture, there will be lack of organizational commitment by the employees which will affect their performance in the organization.

In his research work, Baron (2000) came up with the result that the behaviour that workers often display at the work place is said to be function of cultural beliefs, values and norms. Thus Baron (2001:5) described culture as:

The way of life of a group of people, the configuration of all of the more or less stereotyped patterns of learned behaviour which are handled down from one generation to the next through the means of language and initiation. Culture at any given point, is a product of man's continuing responses to the problem he encounters on his life's struggle. Culture is learned and is transmitted from one generation to another through ages. Members of organizations tend to develop behaviour patterns, which will enable them to achieve the personal goal and objectives they have set for themselves. Such behaviour patterns if they persist, becomes known as customs. These, plus the values, beliefs and sentiments of the members of the organization, constitute their sub-culture. Thus, such factors as the degree of commitment by the members of the organization, the nature of the work performed and various sociological factors determine the uniqueness of the sub-culture and its persistence in the face of outside influence.

In his own research findings, Kilmann (2005) showed that the crucial dimension of culture is norms, it is there that culture is "most easily controlled". More precisely, it is the norms that guild the behaviour and attitude of the people in the company that are of greatest interest and significance, because they have a powerful effect on the requirements for its success – quality, efficiency, product reliability, customer service, innovation, hard work, loyalty etc. This is the core of most (American) texts on corporate culture. Norms refers to a too superficial and behaviour-near aspect to really capture culture. Norms and behaviours are affected by many dimensions other than culture. Within a culture there are a number of norms related to the enormous variety of different behaviours. The point with culture is that it indicates the meaning dimension, i.e. what is behind and informs norms. A related problem with this behaviour – near view on culture is the tendency to see culture as more or less forcefully affecting behaviour. This research also indicates that "the strength of a culture influences the intensity of behaviour", and the strength of a culture is determined by "how many important shared assumptions there are", how widely they are shared, and how clearly they are ranked. A strong culture is thus characterized by homogeneity, simplicity, and clearly ordered assumptions.

Pfeffer (2000) in his work have maintained that for there to be commitment to performance from the culture of an organization, the cultural dimension will be a more stabilizing force; "shared understanding are likely to emerge to rationalize the patterns of behaviour that develop, and in the absence of such rationalization and meaning creation, the structured patterns of behaviour are likely to be less stable and persistent. Some possible consequences of symbolic action include mobilization/motivation, satisfaction of demands, implementation of change and most important,

attitudes and feeling of satisfaction. Pfeffer is more careful, then, than most writers on corporate culture about postulating causal relations between culture and corporate performance, instead stressing the avoidance of problems which input negatively affects organizational performance such as conflict, resistance, widespread frustration, high turnover and absenteeism".

2.4.2 Organizational culture promotes the consistency of employee attitude towards organizational performance

An overview of the history of research into the topic of leadership finds that the literature on leadership and performance can be broadly categorized into a number of important phases. Early studies on leadership (frequently categorized as trait studies on leadership) concentrated on identifying the personality traits which characterized successful leaders (Argyris, 2000; Mahoney et al, 2004). Trait theories assume that successful leaders are "born" and that they have certain innate qualities which distinguish them from non – leaders (Stodgill, 1999).

In his research work on assessing how organizational culture promotes the consistency of employee attitude towards organizational performance; Jaworski (2006) in his research findings revealed that the type of culture that can promote consistency of employee attitude towards performance is that each organization's culture should be unique so that the behaviours, norms and values of employees will be constant in line with the vision of the organization.

In his own research findings, Stodgill (2003) revealed that consistency of employee attitude towards organizational performance is dependable on the characteristics of the leader to the behaviour and style the leader adopted. The principal conclusion of the study was that leaders who adopt democratic or participative styles are more successful as it will affect the attitude of employees.

In their own research findings Pfeffer et al (2008) showed that organizational culture promotes the consistency of employee attitude towards organizational performance being to the fact that the leaders of an organization exercise more or less far-reaching influence on the way in which employees perceive and understand their tasks and on the work place by creating and maintaining metaphors and myths. One result of this type of influence, from management's point of view, might be the sharing of a favourable definition of organizational reality and work by whole organization or a part of it. They distinguishes between internet, management control and external, environmental control such as market condition and other forms of external resources dependencies and between substantive outcomes (actions and activities which lead to tangible, measurable results and have physical referents, such as budgets, salary allocations, sales and profits) and symbolic outcomes (attitudes, sentiments, values and perceptions). They concluded that while constraints beyond managerial control basically determine the substantive outcomes, management does have far-reaching influence on employee's attitudes to social reality. The symbolic outcomes of managerial action increase the probability of the development of a common set of understandings about organizational affairs among members. Managerial action and culture involves the development of consensus around the definition of work place activity.

On his part, Mullins et al (2004) in their findings revealed that in an apparent return to the best way of leadership, transactional and transformational leaders are said to be instrumental and frequent focus on exchange relationship with their subordinates. They are urged to be visionary and enthusiastic with an inherent ability to motivate subordinates which will make them to be consistent in their attitude for effective performance.

Hennessey (2000) in his work on the consistency of employee attitude towards performance proved to the fact that in addition to the effectiveness of a leaders, employees need to cope with

the increasing volatility and turbulence of the external environment by training, developing and equipping them with skills to cope based on the fact of direct link between leadership and organizational performance in respect to the employee's consistency in attitude.

Bass and Avolio (2000) concluded in their work on employee attitude towards performance that charismatic, visionary, inspirational and transformational leaders motivate and moulds their attitude positively to deliver superior performance.

The studies by other scholars like O' Reilly (2001), O' Donnel (2000), Pacanowsky (2005), O' Keefe (2008) and Zhang (2010) agreed that some individuals seem to have a knack for relating well to people from different culture. They say that this skill is known as cultural intelligence which help organizations to increase their performance. They also agreed that through establishing common value system, organizational culture forms unified thought, make faith from a kind of tendency on the staff's psychological deep layer, and then a kind of response mechanism reconstructed in the transformation of organizations.

2.4.3   Organizational culture could be used to reduce ambiguity for effective performance

The research carried out by Igbaria (2009) explores how culture could be used to reduce ambiguity for effective performance. In his findings which affirmed that there should be a good communication network and feedback mechanism in an organization to reduce ambiguity for effective performance in organizations.

In the result of the research carried out by Schein, (1999) and Weick, (1998), on how culture can reduce ambiguity, the findings proved that an integrated organizational culture reduces the uncertainty and ambiguity experienced in an environment and maintains an organization's operating capacity. Organizational culture is a dynamic phenomenon, however, Weick (2000)

examined the continual and collective reality-building process that takes place in an organization. In this process, the meaning of various events is deliberated and a common view is formed based on incomplete information. Weick calls this process sense making. Creating meanings is not a democratic process; power struggle and politics are also very much involved (Alvesson and Berg, 2000). History also plays important role in the building of meanings. Weick (2005) states: "remembering and looking back are a primary source of meaning". In its action, an organization creates its own opportunities and boundaries again and again (Weick, 2000, see also Giddens, 2001).

In the work of O' Donnel et al (2005) on how culture could be used to reduce ambiguity for effective performance, they revealed organizational culture in relation to corporate performance is to treat culture as a diagnostic instrument, as an aid in making wise decision and avoiding traps. It stresses the deep values and basic assumptions of organizations – unconscious or half – conscious beliefs and ideals about objectives, relationships to the external world, and the internal relations that underlie behavioural norms and other artefacts. Culture is viewed as relatively resistant to attempts to control and change and only occasionally manageable. This approach is not much concerned about giving advice on how culture can be controlled, but it does attempt to be of practical relevance by informing managers of what may be difficult or impossible to accomplish and providing ideas for constructive action in the light of culture. Mapping cultural terrain produces a guide for how to orient oneself and reduce making mistake. Understanding the "holy cows" of a group is for example crucial in order to avoid highly negative reactions. There are other, less dramatic traps involved, such as an unwilling/inability to change priorities or work style due to ingrained habits and cultural competence. The focus here is not on the effects of

managerial action but rather on the consequences of organizational culture on how initiatives and change efforts are reacted upon. Cultures are anchored in the organizational collective and exercise influence without the direct involvement of particular key actors. For Schein (2000:9) culture is "a pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems". Indeed, members will find behaviour based on any other premise inconceivable. Artefacts are the visible and audible patterns of culture, existing on a surface level, and values, on the intermediary level, concern what ought to be done and are more or less understood and consciously grasped by the organizational community.

Schein maintained that cultural phenomena have far-reacting effects on organizational effectiveness and individual satisfaction. As an example, he points to the effects of culture on strategy, mergers, acquisitions and diversifications, the integration of new technologies, intergroup conflict within the organization, the effectiveness of communication, socialization and the level of productivity. In summarizing the three proposed standpoints as a contest between management and culture. They reflect different assumptions of senior managers' possibilities of moulding organizational members' ideas, meanings, values and norms after their business goals.

In the first, management wins; in the second, management and culture are intertwined and carry similar weight; in the third, culture is the story force to which managers must adapt. Management possibilities to shape culture vary with circumstances in a young company in a fast-growing market, the chances are much better than in a situation of managing a highly

experienced work – force on a mature market. Generally, some care about assuming too much ability of management to control and intentionally change culture is recommended. Stressing management as symbolic action indicates the spheres in which a significant cultural impact is possible – a shared definition of particular sphere of organization reality seems more achievable than getting everybody to adopt the same values and work according to same norms. Using culture as a source of insights about what is difficult to accomplish may often have a strong pragmatic values – as indicated by, for example, the high failure rate of merges and acquisition.

2.4.4 Core organizational culture enhances leadership performance of the organization

In the research work conducted by Knol (2001) on how core organizational culture enhances leadership performance of the organization, he revealed that culture is a system of informal rules that spells out how people are to behave most of the time, therefore, core organizational cultures can be used to maintain and enhance leadership performance of the organization for good performance.

The link between organizational culture and performance has a relatively long tradition in the field of organizational studies Wilderon, Glunk, and Maslowski, (2000:10). From its emergence in the 1950's, it is only in the 1990's that a relatively large number of survey studies have empirically tested the assumed culture-performance link Wilderon, Glunk and Maslowski, (2000:60). Alvesson (2002:70) says that this link has been examined in literature through three distinctive approaches at least. In the most instrumental of these approaches, culture is conceived as a building block to be engineered and designed by management.

From that perspective, probably the most extensive study of the relationship between culture and performance was by Kotter and Heskett (1999:17), who conducted a number of related studies

using 207 firms over a five-year period. Using a simple measure of corporate culture (perceived degree of value consensus), they observe that so-called strong cultures that place a high degree of value on consensus do not necessarily result in excellent performance and can even be destructive unless a focus on adaptation to a changing environment is included among their norms and values. They conclude that firms with cultures that were suited to their market environment performed better than did those who had an equally "strong" culture but possessed a poorer fit with the environment.

Wilderom et al. (2000:105) study the evolution of research that focuses on the issues of organizational culture as a predictor of organizational performance. They conclude that evidence exists but is not very convincingly. Due to the operationalizations of the culture variable and especially due to their uncertain validity, these authors sustain that we are able to address very few concluding affirmations concerning the impact of an organization's culture on performance. Similarly, the study of Lim (2001:130) says the inexistence of a casual relationship between culture and the short-term performance of organization. Consequently, values and norms that define corporate culture have a limited direct impact on organizational effectiveness in terms of work behaviour and willingness to work.

Another approach linking organizational culture and performance emphasizes the manager's capacity of framing and defining social reality. This means that leaders exercise more or less far-reaching influence on the way in which employees perceive and understand their tasks and their workplace. Thus, leaders play a symbolic role in the definition, structuring and ordering of situations and experience in meaningful ways Pfeffer, (2000:22); Smircich and Morgan, (2004:15). From this perspective, it is clear that being a leader denotes being capable of

managing and ordering the meanings that people give to their actions. Management becomes then a symbolic action and culture is seen as mediated in actions, language use and arrangements primarily affecting beliefs and understandings.

Another approach towards organization culture and performance focuses on treating culture as a diagnostic instrument, as an aid in making wise decisions and avoiding traps. From that point of view, culture stresses the deep values and basic assumptions of organizational life, it is a terrain of possibilities and pitfalls. In this approach, culture is conceived as a stronger force to which managers must adapt, and understanding culture is important for manager's possibilities in navigating in and with the organization Alvesson, (2002:110).

The earlier review of the literature on the relationship between leadership and performance and between culture and performance finds that many commentators note that the performance of an organization is dependent on the conscious alignment of employee values with espoused values of company strategy. This clearly indicates that organizational culture and leadership are linked. One way of uncovering the relationship between culture and leadership is to examine how culture has been conceptualized in organizational theory. Smircich (2004) identifies two approaches to the study of the cultural phenomenon in organizations: culture as an organizational variable, then culture seen as something which can be manipulated. Thus the nature, direction and impact of such manipulation are dependent on the skills and ability of the leader. The majority of the literature which extols the virtues of transformational leadership demonstrates widespread support for this view (e.g. Nicholls, 2003; Quick 2001; Simms, 2000). In contrast, if

culture is seen as an integral part of the organization, then the thinking, feeling, and responses of leaders are moulded by the culture (Bass and Avolio, 1998; Schein, 1999).

Schein (2003) maintained that organizational culture and leadership are intertwined. He illustrates this inter-connection by looking at the relationship between leadership and culture in the context of organizational life cycle. Thus, during the process of organizational formation, the founder of a company creates an organization which reflects their values and beliefs. In this sense, the founder creates and shapes the cultural traits of their organization. However, as the organization develops and time passes, the created culture of the organization exerts an influence on the leader and shapes the actions and style of the leader. Through this dynamic ongoing process, the leader creates and is in turn shaped by organizational culture.

In summarizing the consensus of opinion on the links between organizational culture and leadership, Bass and Avolio (2003) affirms the research of Schein (1999) by upholding that the relationship between the two concepts represent an ongoing interplay in which the leader shapes the culture and is in turn shaped by the resulting culture. Bass (2002) demonstrates the relationship between leadership and culture by examining the impact of different styles of leadership on culture. He maintained that transactional leaders tend to operate within the confines and limits of the existing culture, while transformational leaders frequently work towards changing the organizational culture in line with their vision. Similarly, Brown (2004) says that good leaders need to develop the skills that enable them to alter aspects of their culture in other to improve their organizational performance. While there is no shortage of claims that leadership and culture are linked in the literature (Bass and Avolio, 2003; Nicholls, 2001; Quick,

2003, Schein, 2000; Simms, 1999), there have been very few empirical examinations of the nature and performance implications of this link. One exception is a recent study of organizational change in the role in nurturing the appropriate organizational culture which helped to improve the implementation of specific government reforms. Hennessey further argues that the most effective leaders foster, support, and sustain organizational cultures that facilitate the type of management reform envisioned by "reinventing government" and the attendant increases in effectiveness and efficiency (2000:523).

The above review finds that the link between leadership and organizational performance, the relationship between core organizational culture and performance, and the interplay between leadership and culture have each been studied separately. Interesting, few empirical studies have combined the simultaneous examination of organizational culture, leadership style and performance. While some writers maintain that;

1.   The styles of a leader affect performance

2.   Certain types of culture are linked to superior performance and

3.   Culture and leadership are related

The precise nature and form of interaction between these three concepts is not fully understood. Clearly, further research is necessary to identify, explore, and elucidate the character and pattern of association between organizational culture, leadership style and performance. However, some literature-based conclusions can be drawn. First, the purported relationship between leadership style and performance is based largely on anecdotal evidence (Nicholls, 2004; Quick, 2001; Simms, 2000), while the links between organizational culture and performance are supported by empirical studies (e.g. Gordon and Di Tomaso, 2000; Dennison, 2005). On the basis of studies which suggest that leadership style shapes the nature of organizational culture (e.g. Bass and

Avolio, 2003; Schein, 2004), it is possible to propose that; *the link between leadership style and organizational performance is mediated by the nature and form of organizational culture.*

This proposition is presented in diagram below to form fig. 2.7 to guide later discussion.
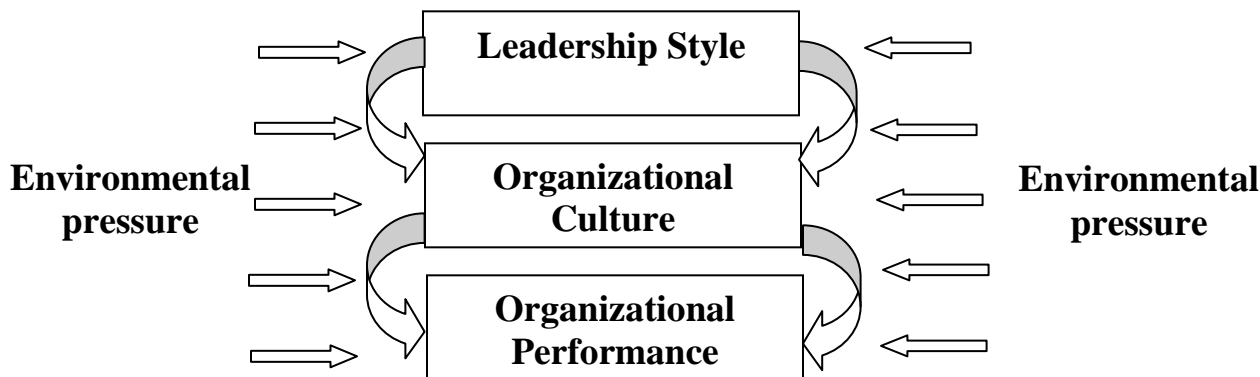
Fig. 2.5: *The links between leadership style, core organizational culture and organizational performance*

Source: Bass,T. and Avolio,F (1993:25); Schein, (1992:48)Organizational Culture and Performance,New York, McGraw – Hill.

2.4.5 Organizational culture could be used to achieve organizational diversity for effective performance

The research study carried out by O' Connor (2007) to determine the extent to which organizational culture could be used to achieve organizational diversity for effective performance proved that using culture as a source of insights about what is difficult to accomplish may often have a strong pragmatic values - as indicated by, for example, the high failure of merges and acquisition. The research further proved that diversity is the multitude of individual and similarities between people. He concluded by saying that diversity is all about creating awareness, recognition, understanding and appreciation of human differences. To this end, he said that organizational culture could be used to achieve organizational diversity for effective performance.

Kotter and Heskett (2002) found that companies with "adaptive values" are strongly related with superior performance over a long period of time as compared to just short-term performance. This has been also supported by both Collins and Porras (2004) and De Geus (2003) in their work in long lived, financially successful companies. Thus in studying the relationship between culture and performance, it is vital that both financial and non financial measures are used to get a more comprehensive result. A high degree of organization performance is related to an organization, which has a strong culture with well integrated and effective set of values, beliefs and behaviours (Cameron and Quinn, 2000; Deal and Kennedy, 2001; Dennison, 2003; Juechter and Fisher, 2004; Kotter and Heskett, 2000). However, many researchers noted that culture would remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions. Furthermore, the culture must not only be extensively shared, but it must also have unique qualities, which cannot be imitated (Lewis, 2000; Lim, 2002; Ouchi, 1998; Pascal and Athos, 1999). Several empirical studies have supported the positive link between culture and performance (Calori and Sarnin, 2000; Gordon and Di Tomaso, 2001; Kotter and Heskett, 2000). Moreover, there are recent studies done by Chatman and Jehn (2004), Dennison and Mishuman resource management (2005) and Kotter and Heskett (2002) that have contributed significantly to the field of culture and performance studies whereby culture is being treated as variable for a specific research purpose. Thus, one of the main reasons for the common popularity and interest in the study of organizational culture is due to the argument or assumption that certain organizational culture leads to superior organizational performance. In his work, Robert Kreitner et al (2002), say that diversity is the multitude of individual and similarities that exist between people. Diversity is all about creating awareness, recognition, understanding and appreciation of human differences. It revolves around creating an environment in which everyone feels valued and accepted. In other words, valuing diversity involves a cultural change geared towards viewing employee differences as valuable resource

that can contribute to organizational success. Managing diversity concerns itself with enabling people to perform up to their maximum potential. It focuses on changing an organization's culture and infrastructure such that workers provide the highest productivity possible. Three key strategies for success in managing diversity are: ***Education, Enforcement and Exposure.***

Furnham and Gunter (2003) state that a good culture is consistent in its components and shared amongst organizational members, and it makes the organization unique, thus differentiating it from other organizations. However, a high performance culture means little more than any culture that will produce a high level of business performance. Stoner J.A.F (2000), in the study carried out in Harvard Business School by Kotter J. and Heskett J. in 2005 over 200 companies say that the effect of good organizational culture will include among other things:-

a. Organizational culture can have a significant impact on a firm's long-term economic performance

b. Organizational culture will probably be an even more important factor in determining the success or failure of firms in the next decade.

c. Organizational culture that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.

d. Although tough to changes, organizational cultures can be made more performance enhancing.

Heinz Weihrich and Harold Koontz (2003) in their work, say that the effectiveness of an organization is influenced by the organization culture, which affects the way the managerial functions of planning, organizing, staffing, leading and controlling are carried out.

2.4.6 EXPERTS CONTRIBUTIONS AND CLASSIFICATION OF ORGANIZATIONAL CULTURE AND PERFORMANCE

The following experts made a great deal of contribution in organizational culture:

Deal and Kennedy

Deal and Kennedy (1982) defines organizational culture as the way things get done around here. In relation to its feedback, this would mean a quick response and also measured organizational in action, such as oil prospecting or military aviation.

* **The Process Culture** occurs in organizations where there is little or no feedback. People become bogged down with how things are done not with what is to be achieved. This is often associated with bureaucracies. While it is easy to criticize these cultures for being overly cautions or bogged down in red tape, they do produce consistent results, which are ideal in, for example, public services.

Charles Handy

Charles Handy (2005) popularizes the 2004 work of Roger Harrison of looking at culture which some scholars have used to link organizational structure to organizational culture. He describes Harrison's four types thus:

- A **Power Culture,** which concentrates power among a few. Control radiates from the centre like a web. Power and influence spread out from a central figure or group. Power desires from the top person and personal relationships with that individual matters more than any formal title of position. Power cultures have few rules and little bureaucracy; swift decisions can ensue.

- In a **Role Culture,** people have clearly delegated authorities within a highly defined structure. Typically, these organizations from hierarchical bureaucracies. Power derives from a person's position and little scope exists for expert power. Controlled by procedures, roles descriptions and authority definitions. Predictable and consistent systems and procedures are highly valued.

- By contrast, in a **Task Culture,** teams are formed to solve particular problems. Power derives from expertise as a team requires expertise. These cultures often feature the multiple reporting lines of a matrix structure. It is all a small team approach, who are highly skilled and specialist in their own markets of experience.

- A **Person Culture,** exists where all individuals believe themselves superior to the organization. Survival can become difficult for such organizations, since the concept of an organization suggests that a group of like-minded individuals pursue the organizational goals. Some professional partnerships can operate as person cultures, because each partner brings a particular expertise and clientele to the firm.

Robert A. Cooke

The Organizational **Culture Inventory**: Culture Clusters. Cooke defines culture as the behaviours that members believe are required to fit in and meet expectations within their organization. The Organizational Culture Inventory measures twelve behavioural of norms that are grouped into thuman resource management ee general types of cultures:

a. Constructive Culture, in which members are encouraged to interact with people and approach tasks in ways that will help them meet their higher-order satisfaction needs,

b. Passive/Defensive Culture, in which members believe they must interact with people in ways that will not threaten their own security.

c. Aggressive/Defensive Cultures, in which members are expected to approach tasks in forceful ways to protect their status and security.

The Constructive Cluster

The Constructive Cluster includes cultural norms that reflect expectations for members to interact with others and approach tasks in ways that will help them meet their higher order satisfaction needs for affiliation, esteem, and self-actualization. The four cultural norms in this cluster are:

i.   Achievement

ii.   Self-Actualization

iii.   Humanistic-Encouraging

iv.   Affiliation

Organizations with constructive cultures encourage members to work to their full potential, resulting in high levels of motivation, satisfaction, teamwork, service quality, and sales growth. Constructive norms are evident in environments where quality is valued over quantity, creativity is valued over conformity, cooperation is believed to lead to better results than competition, and effectiveness is judged at the system level rather than the component level. These types of cultural norms are consistent with (and supportive of) the objectives behind empowerment, total quality management, transformational leadership, continuous improvement, re-engineering and learning organizations.

The Passive/Defensive Cluster

Norms that reflect expectations for members to interact with people in ways that will not threaten their own security are in the Passive/Defensive Cluster.

The four Passive/Defensive cultural norms are:

i.   Approval

ii.   Conventional

iii.   Dependent

iv.   Avoidance

In organizations with Passive/Defensive cultures, members feel pressured to think and behave in ways that are inconsistent with the way they believe they should in order to be effective. People are expected to please others (particularly superiors) and avoid interpersonal conflict. Rules, procedures, and orders are more important than personal beliefs, ideas, and judgment. Passive/Defensive cultures experience a lot of unresolved conflict and turnover, and organizational members report lower levels of motivation and satisfaction.

The Aggressive/Defensive Cluster

The Aggressive/Defensive Cluster includes cultural norms that reflect expectations for members to approach tasks in ways that protect their status and security.

The Aggressive/Defensive cultural norms are:

a.   Oppositional

b.   Power

c.   Competitive

d.   Perfectionistic

Organizations with Aggressive/Defensive cultures encourage or require members to appear competent, controlled, and superior. Members who seek assistance, admit shortcomings, or concede their position are viewed as incompetent or weak. These organizations emphasize finding errors, weeding out "mistake", and encouraging members to compete against each other

rather than competitors. The short-term gains associated with these strategies are often at the expense of long-term growth.

Organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and things get done. Values refer to what is believed to be important about how people and the organizations behave. Norms are the unwritten rules of behaviour. The definition emphasizes that organizational culture is concerned with abstractions such as values and norms which pervade the whole or part of an organization. They may not be defined, discussed or even noticed. Put another way, culture can be regarded as a "code word for the subjective side of organizational life" (Meyerson and Martin, 2004). Nevertheless, culture can have a significant influence on people's behaviour for the effective performance of organizations.

The following are some other definitions of culture:

- Culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done. – **Eldrige and Crombie (2004:13).**

- Culture is a system of informal rules that spells out how people are to behave most of the time – **Deal and Kennedy (2002:60).**

- Culture is the commonly held beliefs, attitudes and values that exist in an organization. Put more simply, culture is "the way we do things around here" - **Furnham and Gunter (2003:15).**

- A system of share values and beliefs about what is important, what behaviours are important and about feelings and relationship internally and externally – **Purcell et al (2003:90).**

Summing up the various definitions of culture, Furnham and Gunter (2003) list, amongst others, the following areas of agreement on the concept;

a.   It is difficult to define (often a pointless exercise)

b.   It is multi-dimensional, with many different components at different levels.

c.   It is particularly dynamic, and never changing (being relatively stable over short periods of time).

d.   It takes time to establish and therefore time to change a corporate culture.

        Also the problem with this concept as posited by Furnham and Gunter include:

i.   How to categorize culture (what terminology to use);

ii.   When and why corporate culture should be changed and how this takes places.

iii.   What is the healthiest, most optimal or desirable culture.

They also point out that it is dangerous to treat culture as an objective entity "as if everyone in the world would be able to observe the same phenomenon, whereas this is patently not the case". Organizational culture is an idea in the field of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values of an organization). It has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholder outside the organization. This definition continues to explain organizational values, also called as "beliefs and ideas" about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behaviour organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behaviour by

employees in particular situations and control the behaviour of organizational members towards one another for effective performance to achieve organizational goals.

The term culture refers to a relatively stable set of beliefs, values and behaviour commonly held by a society, being derived from social anthropology as a framework for understanding "primitive" societies (Kotter and Heskett, 1992). The term organizational culture was used for the first time in the academic literature by Pettigrew in 2009 in the journal "Administrative Science Quarterly". Organizational culture was used to explain the economic successes of Japanese firms over American firms by motivating workers who are committed to a common set of core values, beliefs and assumptions (Dennison, 2004). One of the most important reasons that explain the interest in organizational culture is the assumption that certain organizational cultures lead to an increase in organizational financial performance. According to Peters and Waterman (2002) successful organizations posses certain cultural traits of excellence. Ouchi (2001) shows a positive relationship between organizational culture and productivity. The intensification of research on organizational effectiveness has led to the identification of several organizational factors that have an influential role in the determination of organizational performance. Organizational culture is one such factor that has received much attention in organizational behaviour (e.g. Chatman and Jehn, 2004; Hofstede, et al, 2000; Marcolides and Heck, 2003; Schein, 2000; Trice and Beyer, 2004) and marketing (e.g. Deshphande, Farley, and Webster, 2003; Deshphande and Webster, 2009; Kitchel, 2005) literature, because of the key role it plays in determining levels of organizational outcomes. A common hypothesis about the role of organizational culture is that if an organization possesses a 'strong' culture by exhibiting a well-integrated and effective set of specific values, beliefs and behaviours, then it will perform at a

higher level of productivity (Dennison, 2004). Given the influence of an organizations culture on its productivity, the development of theory to guide the study of the forms and consequences of organizational culture is of primary importance to improving organizational performance. Such efforts will be rewarding, particularly because the variables which comprise culture have been postulated to be under the control of organizational leaders (e.g. Deal and Kennedy, 1982; Ouchi, 2001).

In an effort to understand the forms and consequences of organizational culture, researchers have explored how various internal processes, such as individual and organizational selection and socialization (Harrison and Carroll, 2001) and characteristics of powerful members – such as an organization's founder (e.g. Schein, 2005) or group of members (e.g. Schneider, 2007) – influence the content and intensity of the consensus that exists about organizational values. It appears that researchers have generally adopted the assumption that organizations develop a culture of their own that is distinct from the national and industry contexts in which the organization is embedded, thus ignoring the potential impact of external environmental factors on organizational culture. Despite concern with achieving improved business productivity through focusing on the development of a cohesive organizational culture, the literature to date is characterized by this narrow, internal focus, rather than looking to the external, cultural context within which organizations exist. This appears to be an unfortunate development, insofar as cultural elements appear most easily understood in contrast to the contexts against which they appear.

In addition to internal factors, features present in the external environment in which the organization operates are likely to affect the suitability of an organization's culture. Specifically, national culture and industry characteristics are likely to determine which organizational values

lead to superior business outcomes. In other words, the parameter of the relationships between specific organizational values and outcomes will logically differ for firms in vastly different national cultures and in industries using vastly different technologies. Artefacts, espoused values and basics assumptions form the basis of understanding organizational culture. According to Eliot Jacques, an organizational culture is "the customary or traditional ways of thinking and doing things, which are shared to a greater or lesser extent by all members of the organization and which new members must learn and at least partially accept in order to be accepted into the service of the firm". In other words, organizational culture is a framework that guides day-to-day behaviour and decision making for employees and directs their actions towards completion of organizational goals. Indeed, culture is what gives birth to and defines the actions, such as planning, organizing, leading and controlling, indeed, if culture is not aligned with these tasks, then the organization is in for difficult times.

As a result of reviewing more than 100 studies in organizational behaviour, sociology, anthropology, Deshphande and Webster (2000) defined organizational culture as a "pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for bevaiour in the organization" (p.4). Following these and other authors (e.g. Chatman and Jehn, 2004) organizational culture is conceptualized and quantified in this study in terms of widely shared and strongly held values. The elements of organizational culture range from fundamental assumptions through values and behavioural norms to actual patterns of behaviour (Rousseau, 2000). Values typically act as the defining elements of a culture, and norms, symbols, rituals and other cultural activities revolve around them (Enz, 1988). When the members of a social unit share values, an organizational culture or value system

can be said to exist (Weiner, 2008). Characterizing an organization's culture in terms of its central values require identifying the range of relevant values and then assessing how strongly held and widely shared they are (e.g. Saffold, 1988). In a sample of U.S. firms, O' Reilly, Chatman, and Caldwell (2001) identified the following seven dimensions of organizational culture using an instrument they developed, the Organizational Culture Profile (OCP), innovation, stability, respect for people, outcome orientation, detail orientation, team orientation and aggressiveness. The same seven dimensions have found to characterize firms across various industries (Chatman and Jehn, 2004) and also among a sample of international firms (Hofstede et al, 2000). The Organizational Culture Profile (OCP) dimensions also resemble the type of cultural knowledge that Sackmann (2002) found to exist across a single organization. Further, the Organizational Culture Profile (OCP) value dimensions resemble the values in Cameroon and Freeman's (2001), model of organizational culture types. Since the existence of seven dimensions within and across industries has been confirmed in several situations, this study views organizational culture to performance as characterized by the seven dimensions identified in Organizational Culture Profile (OCP).

Although several studies have focused on identifying the value dimensions that characterize an organization's culture, only a few have investigated the extent to which an organization's values affect actual outcomes. Perhaps the key article addressing the linkage between organizational culture and performance was published by Deshphande and Colleagues (2003). Concentrating on only Japanese firms, the authors found that higher levels of business performance were most closely associated with a market culture (that is, one that emphasizes the values of flexibility and innovation). Other studies (e.g. Marcoulides and Heck, 2003) have simply concluded that the values that characterize an organization's culture significantly affect performance without

specifying which values are most closely associated with business outcomes. It is expected that organizations whose culture match those of their home country will experience lower outcome levels when they operate in other countries with vastly different cultural orientations. This is because the consumers in other countries with vastly different cultural orientations different from those of the organization may not completely understand and assimilate the operational procedures of the foreign subsidiaries, creating somewhat weaker impression about the firms from other countries. Thus, the cultural mismatch may lead to lower customer satisfaction and business performance. For instance, U.S. organization whose cultures reflect those of the U.S. will experience lower outcome levels when they operate in the Japan (i.e., U.S. subsidiaries) than when they operate in the U.S. Hence, organizations whose cultures match those of their home country will exhibit lower levels of outcomes (customer satisfaction and business performance) when they operate in other countries with different cultural orientation.

There have been many attempts to classify or categorize organizational culture as a basis for the analysis of cultures in organizations and for taking action to support or change them. Most of these classifications are expressed in four dimensions and some of the best-known ones are summarized below:

HARRISON

Harrison (2000) categorizes what he called "organizational ideologies". These are:

Power Oriented: Competitive, responsive to personality rather than expertise;

People-Oriented: Consensual, management control rejected;

Task-Oriented: Focus on competency, dynamic;

Role-Oriented: Focus on legality, legitimacy and bureaucracy.

HANDY

Handy (2001) bases his typology on Harrison's classification, although Handy preferred the word 'culture' to 'ideology' as culture conveyed more of the feeling of a pervasive way of life or set of norms. His four types of culture are:

- The *power culture* is one with a central power source that exercises control. There are few rules or procedures and the atmosphere is competitive, power-orientated and political.

- The *role culture* is one in which work is controlled by procedures and rules and the role, or job description, is more important than the person who fills it. Power is associated with positions, not people.

- The *task culture* is one in which the aim is to bring together the right people and let them get on with it. Influence is based more on expert power than one position or personal power. The culture is adaptable and teamwork is important.

- The *person culture* is one in which the individual is the central point. The organization exists only to serve and assist the individuals in it.

SCHEIN

Schein (2005) identifies the following four cultures:

a. The *power culture* is one in which leadership resides in a few and rests on their ability and which tends to be entrepreneurial.

b. The *role culture* is one in which power is balanced between the leader and the bureaucratic structure. The environment is likely to be stable and roles and rules are clearly defined.

c.   The *achievement culture* is one in which personal motivation and commitment are stressed and action, excitement and impact are valued.

d.   The *support culture* is one in which people contribute out of a sense of commitment and solidarity. Relationships are characterized by mutuality and trust.

WILLIAMS, DOBSON AND WALTERS

Williams et al (2009) redefine the four categories listed by Harrison and Handy as follows:

i.   *Power Orientation* – Organizations try to dominate their environment and those exercising power strive to maintain absolute control over subordinates.

ii.   *Role Orientation* – Emphasizes legality, legitimacy and responsibility. Hierarchy and status are important.

iii.   *Task Orientation* – Focuses on task accomplishment. Authority is based on appropriate knowledge and competence.

iv.   *People Orientation* – The organization exist primarily to serve the needs of its members. Individuals are expected to influence each other through example and helpfulness.

2.4.7   THE IMPACT OF ORGANIZATIONAL CULTURE ON PERFORMANCE

The literature on organizational culture is rich and diverse. Much of its richness is founded on the claim that culture is linked to organizational performance. Even though there are some theorists that questioned the culture – performance link, sufficient evidence exists to suggest that organizational culture is associated with organizational performance. (Ogbonna and Harris, 2000). One of the earliest quantitative studies on the culture- performance link was conducted by Dennison (2004) who used data from 34 American firms over a five years period. The author

examined characteristics of organizational culture in these firms and tracked their performance over time. To measure performance, the author used data on returns on investment and sales. One of the most extensive studies on the culture- performance link was conducted by Kotter and Heskett (2002). They used data gathered from 207 firms over a five year period. In this study, they used various measures of culture and long term economic performance data. Their initial objective was to examine the relationship between strong cultures and long term performance. Even though they found only a minor correlation between strong culture and long term performance, subsequent investigations showed that firms with cultures suited to their market environment have better performance than those that are less fitted to their environment.

Marcoulides and Heck (2003) analyze the relationship between organizational culture and performance using data collected from 26 organizations. Marcoulides and Heck (2002) proposed a model in which organizational culture was measured using several latent variables (organizational structure, organizational values, task organization, climate, and individual values and beliefs) and organizational performance was measured using capital, market and financial indicators. The results of this study showed that all of the latent variables used to measure organizational culture had some effect on performance with workers attitudes and task organization activities being the most significant variables. More recently, Ogbonna and Harrison (2009) analyzed the relationship between organizational culture and performance by including the leadership style as a third variable in the model. They used a sample of 1000 units from the financial analysis made easy database of registered British companies. To measure performance, variables such as: customer satisfaction, sales growth, market share competitive advantage and sales volume. For organizational culture, measures such as: competitive culture,

innovative culture, bureaucratic culture and community culture. The results showed that all four measures of organizational culture were associated in some way with corporate performance. More specifically, innovation and competitive cultures had a direct effect on performance and accounted for approximately 25 percent of the variance in organizational performance. Both competitive and innovative cultures were 325 externally oriented in line with the assumption that organizational culture must be adaptable to external environment for a sustained competitive advantage. The bureaucratic and community cultures, which were internally oriented, were not directly related to performance.

Marcoulides and Heck (2000) extended the study in 2002 when they analyzed the link between market orientation, organizational culture, strategic human resource management and organizational performance. The authors used the same measures as in the previous study for organizational culture and performance. As in the previous study, competitive and innovative cultures were found to have a significant effect on performance with community and bureaucratic cultures were not related to performance. According to the study by Kotter and Heskett in Harvard Business School, culture has a strong and increasing impact on the performance of organizations. They stated four main ways, thus:

a.   Organizational culture can have a significant impact on a firm's long term economic performance.

b.   Corporate culture will probably be an even more important factor in determining the success or failure of firms in the next decade.

c.   Corporate cultures that inhibit strong long term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.

d.   Although tough to change, corporate cultures can be made more performance enhancing.

2.4.8   THE EFFECTS OF MANUFACTURERS' ASSOCIATION OF NIGERIA (MAN), IN MANUFACTURING INDUSTRY

Generally, MAN has a great effect in the organization especially as it concerns manufacturing. This is as contained in both the objective of MAN and its roles. Total Quality Management (TQM) is the watchword of this association through the established organs of government like Standard Organization of Nigeria (SON), Nigeria Export Promotion Council and Prices (NEPCP), Income and Productivity Board (IPB). The culture of an organization should reflect to both the roles and objectives of Manufacturers Association of Nigeria (MAN). Manufacturers Association of Nigeria is a member of the Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA). The membership is spread throughout the states of Nigeria and Abuja. The association represents a very sensitive sub-sector in the Nigeria economy. Most times, it gets the Federal government attention. The members are often appointed as members of Standard Organization of Nigeria (SON), Nigeria Export Promotion Council and Prices (NEPCP), Income and Productivity Board (IPB), and they contribute much to the articulation of national budget and rolling plans.

MAN amongst other things has the following objectives to achieve;

1.   To provide for all manufacturers in Nigeria the means for formulating, making known and influencing government policies with regard to industries;

2.   To promote and develop the contribution of its members to the national economy by making representation on behalf of its members to government and other organizations whose work directly or indirectly affect the interest of manufacturers;

3.   To encourage and promote the productivity of high quality goods by its members;

4.   To make a case for and promote the patronage by the Nigerian consuming public of the products of its members manufacturers.

Roles by MAN

It is the industrial association and spokesman of more than 2000 manufacturing companies in Nigeria.

MAN plays the following important roles;

a.   Provision of specialized services to members

b.   Disseminating information to members through its various publications such as the MAN's brochure, the weekly report, the industry news, "who makes what in Nigeria" MAN's Half –yearly Economic Review.

c.   Improving members through the organization of conferences and seminars.

d.   Making sure that some members are appointed into sensitive bodies where decisions that affect MAN members are taken.

e.   Provision of well articulated policy guidelines to government.

f.   It enlightens governments and the general public on the need to buy made-in-Nigeria products.

g.   It leads the battle against governments and their agencies to reduce interest rates, taxes and levies for manufacturers in order to make our products affordable and competitive.

h.   It runs an economic data and information bank for the use of its members

i.   MAN provides professional advice to its members to help them overcome operational problems.

j.   It liaises with NAFDAC, SON and other quality and standards enforcement agencies to ensure that MAN members produce goods of the highest quality.

k.   It presents manufacturers in some government agencies in order to make inputs into government budgets and policies and discourage anti-manufacturing sector decisions.

l.   MAN actively monitors the budgets of governments nationwide to encourage effective and efficient budget implementation. It is a watch dog and pressure group.

m.   Finally, MAN provides a forum for manufacturers, governments and the public to analyse and evolve problems in the manufacturing sector of the economy.

ROLES PLAY BY NATIONAL ASSOCIATION OF CHAMBERS OF COMMERCE, INDUSTRY, MINES AND AGRICULTURE (NACCIMA) TO MANUFACTURERS

A chamber of commerce is an association of business persons with the aim of promoting their common interests. NACCIMA is an association of chambers of commerce from all the states of the federation and Abuja. This umbrella association has the following functions;

- It maintains a data bank of sources of funds, technical assistance, ready markets and possible business investors for its members.

- It trains and develops industrialists and businesspersons to enhance their ability to produce and market good quality goods.

- NACCIMA makes inputs into government budgets and policies and is also a member of some government trade and business agencies.

- It promotes Nigerian culture, tourism and technological advancement through investment, cultural and technological tours and exhibitions.

- NACCIMA assists governments in developing the host communities of their members through the provision of basic social amenities.

- The association receives foreign trade delegations on behalf of its members and briefs them on the quality of made in Nigeria goods. It also links foreign investors and businessmen to Nigerian business people.

2.4.9 ORGANIZATIONAL STRUCTURE AND TECHNOLOGY IN MANUFACTURING COMPANY

This type of decision-making within the organization also affects employees adoption business strategies. It is viewed that top management will attempt to centralize planning and decision-making in order to achieve maximum control over business oppositions, but that this desire to gather all control into central hands can meet various obstacles. Central decision-making could be difficult if there is a need for constant and varying adjustments to behaviour. For instance, a decentralized decision-making is most appropriate where the production proless and the product market is greatly unpredictable, since it would be impracticable to predetermined workflows machine designs and sometimes administrative methods. Burns and Stalker (1991) contrasted management in a rayon mill with that in research and development in electronics in the UK. They found that the former industry could use centralize management techniques while later, which is less predictive, more decentralized organizational structure would be most appropriate.

Generally, where professional workers are involved like in a research and development department, different circumstance of scientist could necessitate that they take their own decisions. Similarly, the type of industry that relate to the organization structure also affects the patterning of choices of managerial strategies in industrial relation. Manufacturing is characterized by stable production locations, and relatively stable work flows. These enable

management to use modern administrative and mechanical technique to centralize decision making and closely prescribe the job of these lower in the organizational hierarchy (Sluncheombe, 2000). These centralization or close managerial technique are likely to be used less in construction. Here constantly changing work sites and seasonal shifts in demand make it more rational for management to continue to rely on personal supervision and a more decentralized or open system. Accounting and to her, managerial decisions have to be taken by workers on site on the basis of experience and craft training rather than by head office instruction.

2.4.10 ORGANIZATIONAL FRAMEWORK AND BUREAUCRACY

Problems in many organizations have been attributed to a deficiency in its structural design. Balogun (2007) identifies the organizational structure of the Nigerian public service as showing a bias towards consideration of status and hierarchy, more than anything else. The structure is organized to suit an out-dated concept of class and educational qualification, whereas it should be organized around the achievement of objectives and encourage the development of employees to the greatest extent. The Udoji commission of 1974 set up to examine the organization, structure and management of the public service, tried to resolve the hierarchical class conflict. It recommended the abolition of the existing class structure and its replacement by a unified structure, but was not heeded to.

Akpala (1990) identified another feature of the organizational structure of public enterprises in Nigeria. This has to do with levels of management. There are three levels of management identified thus:

a. The Executive Arm-which comprises the various supervisory ministries which are concerned with the formulation and approval of regulations, budgets, pricing, personnel and issuance of policy directives.

b. The Boards Of Directors who are charged with the responsibilities of policy formulation and directing the management team of the enterprise.

c. The Management Team under the leadership of the Chief Executive with responsibility for the day-to-day running of the enterprises and the translation or interpretation of policy objectives of government into workable plans and programs.

A position paper by the Centre for Management Development (CMD) at the second National Forum for directors of Nigeria Public Enterprises held in Kaduna in 1985 revealed that, there is a total disregard of the levels of management. The paper state: In addition to the official ministerial control level, there were during the civilian government, unofficial but powerful control influence over the Board of Directors and the management teams of public companies. Such unofficial control factors included the chairman of the political party in power and the party stalwarts who exercised tremendous controlling influence on the operations of public enterprises especially in personnel matters. And this makes the organizational structure untidy.

Confirming these views, Okpara (2007) reasons that managers, especially in government enterprises should be made to use their training and experience in running the enterprises like Nigerian Breweries Plc, Juhel Nigeria Plc, PZ Industries Plc. He points out that continuous incursions from government agents or appointed board members greatly interferes with the basic goal orientation and consequently leads to a loss in meaning in the individual managers. The civil service reform of 1988 was an attempt to move management practices in Nigeria from the

mechanistic system to the organic system, from rigidity to flexibility and adaptiveness. Bureaucracy's greatest attribute is its relation to the mechanistic structure. McFarlanel (1979) identifies bureaucracy as a system of organizing and management in which roles, tasks and relationship among people and positions are clearly defined, carefully prescribed and controlled in accordance with formal authority. The essence according to its originator Max Weber, is to make affairs of individuals more amenable to rational calculation like in Chucks International Plc and Unilever Nigeria Plc.

But Akpala (1990) reveals that the history of bureaucracy in Nigeria dates back to the colonial era. Since then, it has remained a main feature of the public service. He criticizes the system as a work system in which the subordinate is reduced to a position of unthinking dependency and has no say at all on what is being done and how, but only carries out instructions. Consequently, the system has been dubbed "oyibo work". Akpala argues that it is a system that is more "control – oriented" than "motivation – oriented". Abundant literature exists in which public enterprises in Nigeria have been derided for their bureaucratic practices. To many, the public service conjures up a host of attributes implying inefficiency, red tapism, paper shuffling, rigid application of rules and redundance of efforts, indeed critics see the heavy and rigid emphasis on bureaucracy in the public service as fundamental problem. Supporting this view, Umoru (2006) describes the bureaucratic behaviour as excessive efforts on the parts of persons in leadership positions to maintain aloofness from their subordinates, ritualistic attachments to formal procedures, pretty insistence on the rights of status within the organization and resistance to change. Umoru is of the view that though, some measures of each kind of behaviour may be commensurable with the normal requirements of administering organization, which include the need to have persons in

positions of authority, the use of standard procedures for making certain kinds of decisions, the need to make some decisions about subordinates or clients that run counter to feeling produced by formal relations, however, the pathological variants of these activities hinder communication within the organization.

But bureaucracy with its nicely defines chain of command, its rules and rigidities is ill-adapted to the rapid change the environment now demands. According to Bennis (1966) there is a subtle but perceptible change in the philosophy underlying management behaviour. A change that has been necessitated by a new concept of human nature, based on increased knowledge of complex and shifting needs, which replaces an over-simplified, innocent and push-button idea of human nature.

2.4.11 ORGANIZATIONAL CULTURE AND ORGANIZATIONAL EFFECTIVENESS

In the opinion of Robert and John, (2006) the shared values and beliefs in an organization is the organizational culture. Managers definitely must consider the culture of the organization, because otherwise excellent strategies can be negated by a culture incompatible with those strategies. Furthermore, the culture of the organization, as viewed by the people in it, affects attraction and retention of competent employees. Numerous examples can be given of key technical, professional and administrative employees leaving firms because of corporate cultures that seem to devalue people and create barriers to the use of individual capabilities. What is evident in many organizations is that Human Resource Management strategies and practices are central to organizational cultures, and thus organizational effectiveness. Certainly, large firms as different as southwest Airlines, Intuit, Yahoo!, Dell computer, Marriot International and Lowe's

have used Human Resource Management to create organizational cultures that are seen positively by employees, customers and others.

Therefore, organizational culture should be seen as the "climate" of the organization that employees, managers, customers, and others experience. This culture affects service and quality, organizational productivity, and financial results. Alignment of the organizational culture and Human Resource Management efforts impacts customer satisfaction, employee retention, and ultimately, organizational effectiveness. This alignment requires giving significant attention to Human Resource Management planning. Robert, John (2006) further opines that organizations are consciously created at one point in time to accomplish certain objectives. In order to accomplish the objectives which they have set, organizations formulate appropriate strategies which give rise to the development of organizational structure through which the set objectives will be achieved. One of the reasons why organizations assess themselves or why external bodies assess them is to find out to what extent organizations have achieved their objectives or in what direction they are performing (i.e. either negatively or positively). This process of determining the extent of an organization's performance level is called organizational effectiveness in the literature of organization theory.

In the views of Scott (2001), to inquire into effectiveness is to ask how well an organization is doing relative to some set standards. In the view of Georgeo and Tennenbaum (2007), the concept of organizational effectiveness (sometimes called organizational success or organizational worth) is ordinarily used to refer to global attainment. In this sense, it is a functional rather than a structural concept. In continuation, George and Tennenbaum define organizational effectiveness as "the extent to which an organization as a social system, given

certain resources and means, fulfils its objectives without incapacitating its means and resources and without placing undue strain upon its members".

2.4.12   PERFORMANCE-FOCUSED ORGANIZATIONAL CULTURE

Robert and John (2006) posit that, organizational cultures vary dramatically on many dimensions, one of which is the emphasis on performance management. Both research and organizational experiences have identified a number of components of an effective performance management system. The components are depicted in figure 2.8. Some corporate cultures are based on entitlement, meaning that adequate performance and stability dominate the organization. Employee rewards systems vary little from person to person and are not based on individual performance differences. As a result, the performance appraisal activities are seen as having little tie to performance and as being primarily a "bureaucratic exercise". At the other end of the spectrum is a performance – driven organizational culture focused on corporate values, results, information sharing, and performance appraisal systems that link results to employee compensation and development. The importance of a performance-focused culture is seen in the results of several studies. One longitudinal study of 207 companies in 22 industries found that firms with performance-focused cultures had significantly higher growth in company revenue, employment, net income, and stock prices than did companies with different cultures. Another study, by Becker, Huselid, and Ulrich, found that firms with strong performance cultures had dramatically better results as well.

As the Human Resource Management globally indicates, wider cultural values affect performance management and organizational cultures. Those wider cultural values must be considered in a global workforce.
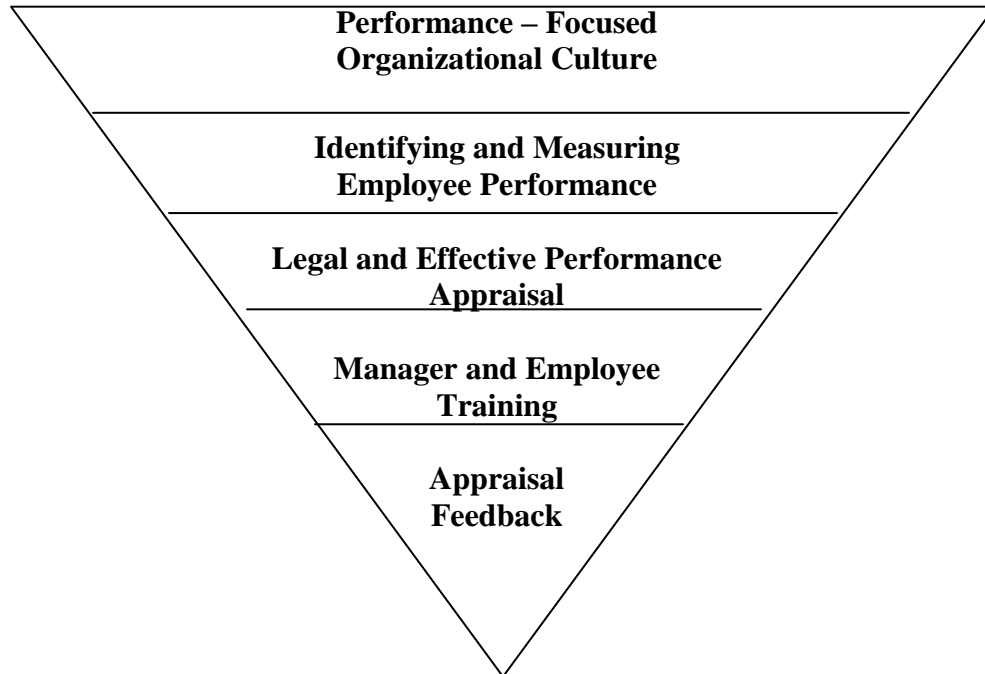
Fig. 2.6: *Components of Effective Performance Management*
Source: *Robert,M. and Jackson, P. (2006:330) Human Resource Management, USA, Thomson South Western..*

2.4.13   INDUSTRY CHARACTERISTICS AND ORGANIZATIONAL CULTURE AND PERFORMANCE

Past research has shown that technology relates to organizational types and outcomes (Van De Ven and Del Becq, 2004) and that growth rate partially determines business strategy (Dess and Beard, 2003). Using the same logic, technology and growth can also be related to organizational culture (Quinn and Rohuman resource management Baugh, 2003).

Technology: Firms in the same industry tend to share similar technology. Since culture defines how things are done within firms (e.g., Deal and Kennedy, 2002), technology restricts the variation in how things are done by defining what is being done. Therefore, greater similarities in technology across firms in the same industry should be associated with less variation in their cultures. Thompson's (2007) technological classification scheme has been used to conceptualize the relationship between technology and organizational culture (Chatman and Jehn, 2002). This typology is based on the amount of discretion required for production and ranges from long –

linked to intensive. Long –linked firms have little demand for discretion because they use standardize procedures and assembly line tasks; and intensive or custom technologies require a great deal of discretion and use techniques that vary according to the specific demands of a project.

The values that characterize firms are likely to vary across industries. Firms in industries characterized by intensive technologies should have cultures depicted by high levels of innovation, since projects require non-routine problem solving (Pennings and Harianto, 2002). Because of what is generally an intense, hard-driving work place and lack of predictability, these firms tend to place a greater emphasis on human resource issues (Saxenian, 2000). Intensive technology firms are likely to have a strong team orientation, since ill – structured tasks are more likely to require that members collaborate to solve problems (e.g. Kanter, 2008). On the other hand, firms with long – linked technologies are likely to have high levels of stability, because tasks are repetitive and predictable. These firms have a strong detail orientation, since only refinements to processes are needed. They tend to rely on formal control mechanisms, such as policies and procedures, to direct members' efforts. Further, these firms are characterized by a relatively high level of job structure (Hofstede, 2000). Therefore, we can expect that firms in industries with intensive technologies will house cultures that more strongly emphasize innovation, flexibility, people orientation, team orientation and aggressiveness than firms in industries with long – linked technologies.

Similarly, firms in industries with long – linked technologies are likely to have cultures that more strongly emphasize outcome and detail orientations than firms in industries with intensive technologies.

Growth: Past research has shown that technology and growth rate move together and that growth in industries is linked to technological development (e.g. Dewar and Hage, 2008). Indeed, technological progress driven by a desire to reduce uncertainty often fosters growth (Thompson, 2007). New technologies and improved methods are commonly incorporated because they are related to an industry's type of work, and adoption of these advances often increases production capacity (Zammuto and O'Connor, 2002). Hence, industry growth is likely to relate to organizational culture.

In high-growth industries, firms tend to experience resource munificence, generated by the constantly increasing revenues and opportunities (Dess and Beard, 2004). Industry growth also influences the extent to which organization attempt to strategically manage interdependence and complexities, behaviours that are reflected in organizational culture (Chatman and Jehn, 2004, Zammuto and O'Connor, 2002). Such growth is likely to affect organizational culture by increasing risk taking and innovation. For instance, high growth rates increased innovation and flexibility among high – technology firms in silicon valley (Saxenian, 2000). On the other hand, low – growth industries, such as utilities, depend upon stability and reliability (Chatman and Jehn, 2004). It seems reasonable to expect that the relationship between organizational culture and outcomes will depend on the type of technology governing and the level of growth experienced by the firm in question. That is, business outcomes are likely to be higher in those firms whose cultural values are consistent with those of particular industry technology – type and growth – level characteristics.

Specifically, the relationship between the cultural dimensions of innovation, flexibility, people orientation, team orientation, and aggressiveness and outcomes (customer satisfaction and business performance) will be greater in firms characterized by intensive technologies and high growth. Also, the relationship between the cultural dimensions of outcome orientation and detail orientation and outcomes (customer satisfaction and business performance) will be greater in firms characterized by long – linked technologies and low growth.

2.4.14 IMPACTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

Research suggests that numerous outcomes have been associated either directly or indirectly with organizational culture. A healthy and robust organizational culture may provide various benefits, including the following:

i.   Competitive edge derived from innovation and customer service

ii.   Consistent, efficient employee performance

iii.   Team cohesiveness

v.   High employee morale

v.   Strong company alignment towards goal achievement

Although little empirical research exists to support the link between organizational culture and organizational performance, there is little doubt among experts that this relationship exists. Organizational culture can be a factor in the survival or failure of an organization – although this is difficult to prove considering the necessary longitudinal analyses are hardly feasible. The sustained superior performance of firms like IBM, Hewlett and Packard, Proctor and Gamble and McDonald's may be, at least partly, a reflection of their organizational cultures. A 2003 Harvard

Business School study reported that culture has a significant impact on an organization's long-term economic performance. The study examined the management practices at 160 organizations over ten years and found that culture can enhance performance or prove detrimental to performance. Organizations with strong performance-oriented cultures witnessed far better financial growth. Additionally, a 2002 Corporate Leadership Council study found that cultural traits such as risk taking, internal communications, and flexibility are some of the most important drivers of performance, and may impact individual performance. Furthermore, innovativeness, productivity through people, and the other cultural factors cited by Peters and Waterman (2002) also have positive economic consequences.

Dennison, Haaland, and Goelzer (2004) found that culture contributes to the success of the organization, but not all dimensions contribute the same. It was found that the impacts of these dimensions differ by global regions, which suggests that organizational culture is impacted by national culture. Additionally, Clarke (2006) found that a safety climate is related to an organization's safety record. Organizational culture is reflected in the way people perform tasks, set objectives, and administer the necessary resources to achieve objectives. Culture affects the way individuals make decisions, feel, and act in response to the opportunities and threats affecting the organization. Adkins and Caldwell (2004) found that job satisfaction was positively associated with the degree to which employees fit into both the overall culture and subculture in which they worked. A perceived mismatch of the organization's culture and what employees felt the culture should be is related to a number of negative consequences including lower job satisfaction, higher job strain, general stress, and turnover intent. It has been proposed that organizational culture may impact the level of employee creativity, the strength of employee

motivation, and the reporting of unethical behaviour, but more research is needed to support these conclusions.

Organizational culture also has an impact on recruitment and retention. Individuals tend to be attracted to and remain engaged in organizations that they perceive to be compatible. Additionaly, high turnover may be a mediating factor in the relationship between culture and organizational performance. Deteriorating company performance and an unhealthy work environment are signs of an overdue cultural assessment. The performance is concerned by organization ultimately forever. Little Tom Watson, chairman of directorate of IBM, said on the lecture in Columbia University in 1962; "when it comes to the relevant business performances of organization, the basic management philosophy, the spirit and goal of organization is far more important than technological or economic resources, structure of organization, invention and creation and making decision at random. Certainly, the two factors influence the achievement of organization greatly. But I believe that they stem from the degree of how much the staff believes in organization's basic values and beliefs, and stem from the degree of how much they practice these values and beliefs in actual management at the same time". Therefore, we may find out that there is close relation between organizational culture and organizational performance.

For many years, scholars take a large number of works to study the impact of organizational culture on organizational performance. For example, Akin and Hopelain (2006) have proved that the connection between culture and achievement strengthened as time goes by. Dennison's (2000) research indicates that organizational culture influences organizational performance directly. An organization whose organizational culture is propagated extensively and profoundly, and practiced in management decision, the repayments in investment and sale are all much better

than those organizations which do not popularize organizational culture. Therefore, those researches prove that cultural factor leads the realization of a lot of organization's value achievements, and it may be extreme crucial factor for the success of organizations. The later research on organizational culture develops into a more macroscopically organizational aspect gradually. Researchers have done much investigations and tried to establish the relation between organizational culture and organizational performance, namely, there is a close connection between organizational culture and organizational performance at least.

Studies have suggested organizational culture is a kind of complicated and comprehensive composition element; it is a kind of values that is shared by the members, and kind of inherent regulatory faith. It will not only influence people's behaviour but also decide working atmosphere, leadership style and the formulation of strategy. Organizational culture influences the operation of organization on the two aspects of organization and individual, and then it will exert an influence on organizational performance. The impact of organizational culture on organizational performance can be decided by the degree of how much main values and beliefs of organization is accepted deeply and widely, its influence can be divided into three aspects; firstly, **cultural direction**, it means the accurate degree of how much does organizational culture influencing organization's operation direction. Secondly, **cultural permeability**, it refers to the degree of how much does organizational culture is shared by all the members in common; thirdly, **cultural intensity**, that is the degree of how much does the employees abide by the culture. Culture has comparatively great influence which means that it has extensive permeability and relatively far-reaching influence intensity, namely the so-called uncompromising culture. Employees have identical goal and common values at this moment. Therefore, the employees will be satisfied with what they did and devote themselves to work

even more. The development of Haier proves that, the most essential thing is to establish a kind of highest cultural idea for continuously developing organizations. However, in a lot of organizations, organizational culture is seems regarded as the accessory, it is even considered only some slogans brushed on the company wall or posters of companies, its existence will only produce surplus documents and procedure, and does not create any value.

2.4.15 ORGANIZATIONAL CULTURE AND PERFORMANCE

While the evidence of a leadership-performance link is largely anecdotal, considerably more research has empirically examined the organizational culture- performance relationship. Indeed, an examination of the literature is likely to conclude that organizational culture is one of the most popular concepts in the fields of management and organizational theory. One reflection of the popularity of the culture concepts is the increasing number of theoretical perspectives (Martin, 2002) and organizational disciplines which utilize the concept (e.g. Harris and Ogbonna, 2009).

It is arguable that the academic acceptance of culture, without the usual squabbles and scepticism associated with new concepts, is a major indication of the perceived importance of the concept (Alvesson, 2000). However, this is not to infer that there is consensus on the meaning and relevance of the concept. On the contrary, there is widespread disagreement on the definition and scope of the organizational culture concept (Ogbonna and Harris, 2008a). Consequently, it is pertinent to note three main issues. First, many researchers note that treating culture as a unitary concept reduces its values as an analytic tool (e.g. Martin, 2002, Ogbonna and Harris, 2008a; Pettigrew, 2009). Second, culture cannot be equated to power and polities or climate (Dennison, 2006; Riley, 2003; Schein, 2006); and third, there is disagreement on whether organizational

culture can be easily changed (Legge, 2004; Ogbonna, 2003). One of the major reasons for the widespread popularity of and interest in organizational culture stems from the argument (or assumption) that certain organizational cultures lead to superior organizational financial performance. Many academics and practitioners argue that the performance of an organization is dependent on the degree to which the values of the culture are widely shared, that is strong (Deal and Kennedy, 2002, Dennison, 2000; Kotter and Heskett, 2002; Ouchi, 2001, Pascale and Athos, 2001; Peters and Waterman, 2002).

The claim that organizational culture is linked to performance is founded on the perceived role that culture can play in generating competitive advantage (Scholz, 2007). Krefting and Frost (2005) suggest that the way in which organizational culture may create competitive advantage is by defining the boundaries of the organization in a manner which facilitates individual interaction and or by linking the scope of information processing to appropriate levels. Similarly, it is argued that widely shared and strongly held values enable management to predict employee reactions to certain strategic options thereby minimizing the scope for undesired consequences (Ogbonna, 2003). Theorists also argue that sustainable competitive advantage arises from the creation of organizational competencies which are both superior and imperfectly imitable by competitors (Reed and De Fillippi, 2000). To this end, it is argued that the "uniqueness quality' of organization culture make it a potentially powerful source of generating advantage over competitors. Indeed, many commentators have advised organizations and researchers to exploit the multiple advantages which could be offered by culture rather than focusing on the more tangible side of the organization (e.g. Jackson, 2002; Prahalad and Bettis, 2006).

Early researchers who link culture to organizational performance are unequivocal in their claims. An illustration of this is derived from the works of the so called "excellence writers" who argue that successful organizations are distinguished by their ability to promote cultural values which are consistent with their chosen strategies (Deal and Kennedy, 2002; Ouchi, 2001, Pascale and Athos, 2001; Peters and Waterman, 2002). Although this view met with initial popularity, the principle tenets of the argument have been subjected to extensive criticism (e.g. Legge, 2004, Ogbonna, 2003; Willmot, 2003). By the 2000s, researchers assessing the link between culture and performance were more cautious. For example, Gordon and Di Tomaso (2002) and Dennison (2000) both propose that there is a link between certain organizational culture characteristics and performance but each add a number of provisions. In particular, they note that culture will remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions. Furthermore, the culture must not only be strong (widely shared), but it must also have unique qualities which cannot be imitated. However, more recently, it has been suggested that the relationship between culture performances is tenuous/uncertain (Hopfl et al…, 2002; Lewis, 2004; Lim, 2005; Ray, 2006; Willmott, 2003). Indeed, the growing popularity of the resource based view of competitive advantage suggest that the degree to which a culture can be theorized to determine a sustainable advantage is dependent upon the value, rarity, imitability and sustainability of the culture concerned (Barney, 2006, 2001).

Overall, the literature on organizational culture is rich and diverse, much of the richness is founded on the claim by many researchers that culture is linked to organizational performance. While, some theorists have questioned the universality of a culture – performance link, sufficient

evidence exists to suggest that organizational culture is associated with organizational performance.

2.4.16 THE ROLE OF VALUES AND NORMS IN ORGANIZATIONAL CULTURE AND PERFORMANCE

Jones and George (2000), posit that the shared terminal and instrumental values play a particularly important role in organizational culture. *Terminal values* signify what an organization and its employees are trying to accomplish, and *instrumental values* guide the ways in which the organization and its members achieve organizational goals. In addition to values, shared norms also are key aspect of organizational culture. We should recall that norms are unwritten, informal rules or guidelines and prescribe appropriate behaviour in particular situations. For example, norms at IDEO include not being critical of others ideas, coming up with multiple ideas before settling on one, and developing prototype of new products. Managers determine and shape organizational culture through the kinds of values and norms they promote in an organization. Some managers, like David Kelley of IDEO, cultivate values and norms that encourage risk taking, creative response to problems and opportunities, experimentation, tolerance of failure in order to succeed, and autonomy. Top managers at organizations such as Intel, Microsoft, Sun Microsystems encourage employees to adopt such values to support their commitment to innovation as a source of competitive advantage. Other managers, however, might cultivate values and norms that indicate to employees that they should always be conservative and cautious in their dealings with others and should try to consult with their supervisors before making important decisions or any changes to the status quo. Accountability for actions and decisions is stressed, and detailed records are kept to ensure that policies and procedures are followed. In setting where caution is needed-nuclear power stations, large oil

refineries, chemical plants, financial institutions, insurance companies – a conservative, cautious approach to making decisions might be highly appropriate. In a nuclear power plant, for example, the catastrophic consequences of a mistake make a high level of supervision vital. Similarly, in a bank or mutual fund company, the risk of losing investors' money makes a cautious approach to investing highly appropriate. Managers of different kinds of organizations deliberately cultivate and develop the organizational values and norms that are best suited to their task and general environments, strategy, or technology. Organizational culture is maintained and transmitted to organizational members through the value of the founder, the process of socialization, ceremonies and rites and stories and language as illustrated on fig 2.9
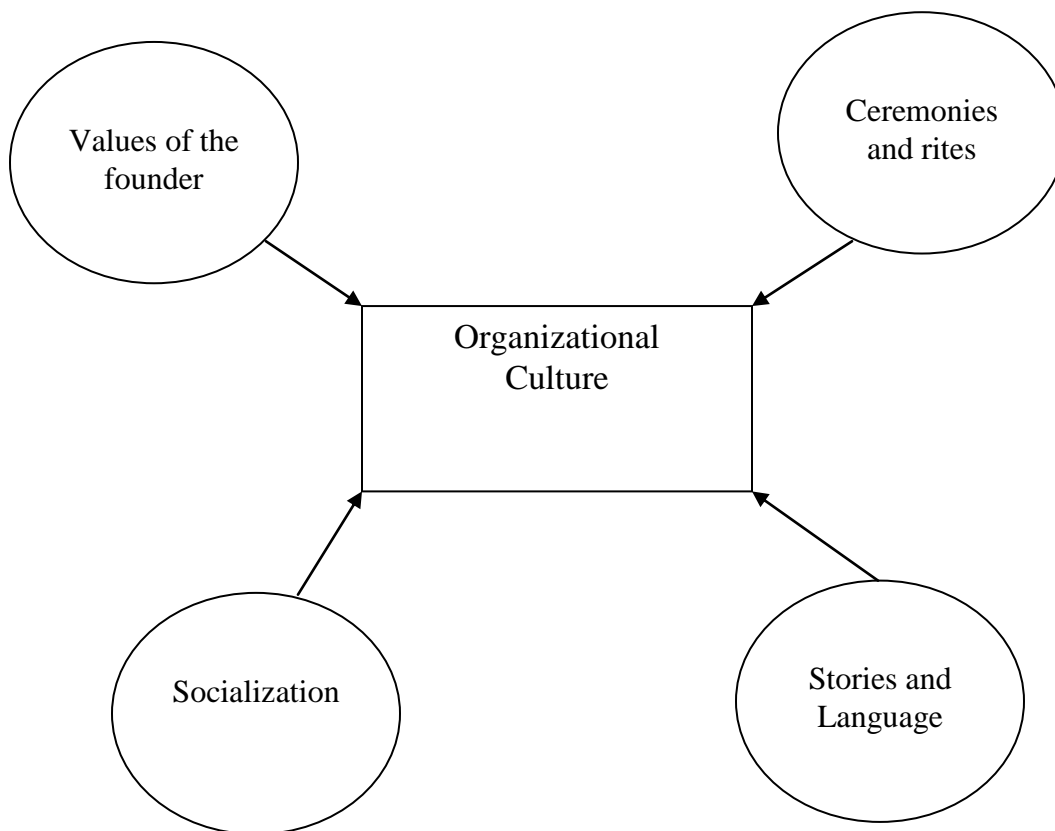
Fig. 2.7: *Factors that maintain and translate organizational culture*
Source: *Jones,G. and George,J. (2000:98) Contemporary Management, New York, McGraw-Hill/Irwin.*

Values of the Founder: Founders of an organization can have profound and long-lasting effects on organizational culture. Founders' values inspire the founders to start their own companies and, in turn, drive the nature of these new companies and their defining characteristics. Thus, an organization's founder and his or her terminal and instrumental values have a substantial influence on the values, norms, and standards of behaviour that develop over time within the organization. Founders set the scene for the way cultural values and norms develop because their own values guide the building of the company and they hire other managers and employees who they believe share these values and help the organization to attain them. Moreover, new managers quickly learn from the founder what values and norms are appropriate in the organization and thus what is desired of them. Subordinates imitate the style of the founder and, in turn, transmit their values and norms to their subordinates. Gradually, over time, the founder's values and norms permeate the organization. A founder who requires a great display of respect from subordinates and insists on properties such as formal job titles and formal modes of dress encourages subordinates to act in this way toward their subordinates. Often, a founder's personal values affect an organization's competitive advantage. For example, McDonald's founder Ray Kroc insisted from the beginning on high standards of customer service and cleanliness at McDonald's restaurants; these became core sources of McDonald's competitive advantage. Similarly, Bill Gates, the founder of Microsoft, pioneered certain cultural values in Microsoft. Employees are expected to be creative and to work hard, but they are encouraged to dress informally and to personalize their offices. Gates also established a host of company events such as cookouts, picnics, and sports events to emphasize to employees the importance of being both an individual and a team player.

Socialization: Overtime, organizational members learn from each other which values are important in an organization and the norms that specify appropriate and inappropriate behaviours. Eventually, organizational members behave in accordance with the organization's values and norms-often without realizing what they are doing so. ***Organizational socialization*** is the process by which newcomers learn an organization's values and norms and acquire the work behaviours necessary to perform jobs effectively. As a result of their socialization experiences, organizational members internalize an organization's values and norms and behave in accordance with them not only because they think they have to but because they think that these values and norms describe the right and proper way to behave. Most organizations have some kind of socialization program to help new employees learn the ropes – the values, norms, and culture of the organization. The military, for example is well known for the rigorous socialization process it uses to turn raw recruits into trained soldiers. Organizations such as the Walt Disney Company also put new recruits through a rigorous training program to provide them with the knowledge they need not only to perform well in their jobs but also to ensure that each employee plays his or her wholesome theme park. New recruits at Disney are called "cast members" and attend Disney University to learn the Disney culture and their part in it. Disney's culture emphasizes the value of safety, courtesy, entertainment and efficiency, and these values are brought to life for newcomers at Disney University. Newcomers also learn about the attraction area they will be joining (e.g Adventureland or Fantasyland) at Disney University and then receive on-the-job socialization in the area itself from experienced cast members. Through organizational socialization, founders and managers of an organization transmit to employees the cultural values and norms that shape the behaviour of organizational members. Thus, the values

and norms of founder Walt Disney live on today at Disneyland as newcomers are socialized into the Disney way.

Ceremonies and Rites: Another way in which managers can create or influence organizational culture is by developing organizational *ceremonies and rites* – formal events that recognize incidents of importance to the organization as a whole and to specific employees. the most common rites that organizations use to transmit cultural norms and values to their members are rites of passage, of integration, and of enhancement as illustrated in table 2.1

Table 2.1: Organization Rites

Type of Rite	Example of Rite	Purpose of Rite
Rite of passage	Induction and basic training	Learn and internalize norms and values
Rite of integration	Office Christmas Party	Build common norms and values
Rite of enhancement	Presentation of annual award	Motivate commitment to norms and values.

Source: *Jones,G. and George,J. (2000:101) Contemporary Management, New York, McGraw-Hill/Irwin.*

Rites of Passage, determine how individuals enter, advance within, or leave the organization. The socialization programs developed by military organizations (such as the U.S Army) or by large accountancy and Law firms are rites of passage. Likewise, the ways in which an organization prepared people for promotion or retirement are rites of passage.

Rites of Integration, such as shared announcements of organizational successes, office parties, and company cookouts, build and reinforce common bonds among organizational members. IDEO uses many rites of integration to make its employees feel connected to one another and special. In addition to having wild "end-of-year" celebratory bashes, groups of IDEO employees periodically take time off to go to a sporting event, movie, or meal or, sometimes, on a long bike ride or sail. These kinds of share activities not only reinforce IDEO's culture but also can be

source of inspiration on the job (e.g., IDEO has been involved in the making of movies such as *(The Abyss and Free Willy).*

Rites of enhancement, such as awards dinners, newspaper releases, and employee promotions, let organizations publicly recognize and reward employees' contributions and thus strengthen their commitment to organizational values. By bonding members within the organization, rites of enhancement reinforce an organization's values and norms.

Stories and Language: Finally, stories and language also communicate organizational culture. Stories (whether fact or fiction) about organizational heroes and villains and their actions provide important clues about values and norms. Such stories can reveal the kinds of behaviours that are valued by the organization and the kinds of practices that are frowned on. At the heart of McDonald's rich culture are hundreds of stories that organizational members tell about founder Ray Kroc. Most of these stories focus on how Kroc established the strict operating values and norms that are at the heart of McDonald's culture. Kroc was dedicated to achieving perfection in McDonald's quality, service, cleanliness, and value for money (QSC&V), and these four central values permeate McDonald's culture. For example, an often retold story described what happened when Kroc and a group of managers from the Houston region were touring various restaurants. One of the restaurants was having a bad day operationally. Kroc was incensed about the long lines of customers, and he was furious when he realized that the product customers were receiving that day was not up to his high standards. To address the problem, he jumped up and stood on the front counter and got the attention of all customers and operating crew personnel. He introduced himself, apologized for the long wait and cold food, and told the customers that they could have freshly cooked food or their money back-whichever they wanted. As a result, the

customers left happy, and when Kroc checked on the restaurant later, he found that his message had gotten through to its managers and crew-performance had improved. Other stories describe Kroc scrubbing dirty toilets and picking up litter inside or outside a restaurant. These and similar stories spread around the organization by McDonald's employees. They are the stories that have helped establish Kroc as McDonald's "hero".

The concept of organizational language encompasses not only spoken language but how people dress, the offices they occupy, the cars they drive, and the degree of formality they use when they address one another. Formal business attire supports the conservative culture found in many banks, which emphasize the importance of conforming to organizational norms such as respect for authority and staying within one's prescribed role. When employees speak and understand the language of their organization's culture, they know how to behave in the organization and what is expected of them to improve the performance of the organization.

2.4.17 INCREASING IMPORTANCE OF ORGANIZATIONAL CULTURE AND ITS EFFECTS ON ORGANIZATIONAL PERFORMANCE

Schein (2002) suggests that organizational culture is even more important today than it was in the past. Increased competition, globalization, mergers, acquisitions, alliances and various workforce developments have created a greater need for:

a.   Coordination and integration across organizational units in order to improve efficiency, quality and speed of designing, manufacturing and delivering products and services.

b.   Product innovation.

c.   Strategy innovation

d.   Process innovation and the ability to successfully introduce new technologies, such as information technology

e.   Effective management of dispersed work units and increasing workforce diversity

f.   Cross-cultural management of global enterprises and/or multi-national partnerships

g.   Construction of meta-or hybrid-cultures that merge aspects of cultures from what were distinct organizations prior to an acquisition or merger

h.   Management of workforce diversity

i.   Facilitation and support of teamwork

In addition to a greater need to adapt to these external and internal changes, organizational culture has become more important because, for an increasing number of corporations, intellectual as opposed to material assets now constitute the main source of value. Maximizing the value of employees as intellectual assets requires a culture that promotes their intellectual participation and facilitates both individual and organizational learning, new knowledge creation and application, and the willingness to share knowledge with others. Culture today must play a key role in promoting;

i.   Knowledge management

ii.   Creativity

iii.   Participative management

iv.   Leadership

There has been a great deal of anecdotal evidence and some empirical evidence regarding the performance effects of organizational culture. Anecdotal evidence begins Peters and Waterman's *In Search of Excellence* (2002). This book basically stimulated the now familiar business school case study approach. More recent anecdotal evidence regarding the most successful companies in

the last several decades has also been proffered. According to Cameron and Quinn (2000), many of the most successful companies, including Southwest Airlines (21,775% return on investment (ROI), Wal-Mart (19,807% ROI), Tyson Foods (18,118% ROI), Circuit City (16,410% ROI), and Plenum Publishing (15,689% ROI), score low on well-established critical success factors (i.e. entry barriers that prevent organizations from competing for the same market, nonsubstitutable products, low levels of bargaining power on the part of buyers due to customer dependence, low levels of bargaining power for suppliers because they have no alternative customers, a large market share that promotes economies of scale, and rivalry among the competition that deflects head-to-head competition with a potential dominator). These unlikely winners have strong leadership that promotes unique strategies and a strong culture to help them realize these strategies. There is also strong anecdotal support indicating that the primary cause of failure of most major change efforts (Such as TQM and reengineering) has been the failure to successfully change the organizational culture (CSC Index, 1994; Caldwell, 2004; Goss et al, 2003; Kotter and Heskett, 2002).

Kotter and Heskett (2002) have attempted to make this intriguing, but admittedly inconclusive, anecdotal evidence more systematic and empirical. They had financial analysts identify the firms they considered most successful and then describe the key factors discriminating these firms from those that were less successful. Seventy-four of the seventy-five analysts indicated that organizational culture was a key factor. In addition, Denison (2000) found empirical support for the participation/involvement view of culture-higher levels of employee participation were correlated with better organizational performance.

In contrast to this supporting anecdotal and empirical evidence, it has become well known and a point of great contention, that the exemplary companies identified by Peter and Waterman (2002) did not remain exemplary. The general explanation for this is that these companies failed to change with the times-perhaps the very strength of their culture and their past success prevented them from quickly and successfully adapting to new environmental requirements (Christensen, 2007). This paradox suggested the need for more longitudinal investigations of the effects of organizational culture. Growing evidence that excellent companies do not remain excellent for long also suggests that the traditional notion of a strong culture may need to be replaced with a more discerning understanding of the types and role of culture and the need to change culture over the life cycle of the organization. For example, perhaps a strong consistent culture is useful in the beginning start-up phase of an organization but a mature organization may need to become more differentiated as well as more oriented to change and learning. What is important for long-term organizational success may not be a particular type of organizational culture per se but the ability to effectively manage and change the culture over time to adjust to changes in the situation and needs of the organization. This understanding has pointed to the need for a more dynamic understanding of culture and the role of organizational leaders in ensuring that the culture contributes both to the organization's current and future success.

Schein (2002) argues that leadership today is essentially the creation, the management, and at times the destruction and reconstruction of culture. In fact, he says, "the only thing of importance that leaders do is create and manage culture" and "the unique talent of leaders is their ability to understand and work within culture" (2002:5). Leaders must be able to assess how well the culture is performing and when and how it needs to be changed. Assessing and improving

organizational culture as well as determining when major cultural transformations are necessary is critical to long-term organizational success. Managing differentiated cultures and creating synergies across these cultures is also a critical leadership challenge. Effective culture management is also necessary to ensure that major strategic and organizational changes will succeed. Basically, culture management is a key leadership and management competency.

We are all aware of successful leaders (Herb Kellerher of Southwest Airlines, Lee Iacocca of Chrysler, Alfred P. Sloan of G.E., General Robert E. Wood of Sears, Roebuck & Co.) who have succeeded in transforming the culture of the organization. In addition, a study of U.S presidents found that charismatic presidents had better performance on a variety of dimensions, including economic and social performance (House, Spangler, and Woycke, 2001). However, effective cultural management does not depend on great individual leaders and charisma. Charisma may be an advantage in times of crisis and change, but solid instrumental leadership can be as, or more, effective in more normal circumstances (Collins and Porras, 2004:7-8). Critical instrumental mechanisms for changing and managing culture include;

a.   Strategic planning and the identification of necessarily cultural requisites

b.   Ensuring consistency of culture with mission, goals, strategies, structures and processes

c.   Creating formal statements of organizational philosophy and values

d.   Establishing consistent incentives, recognition systems, and performance measurement

e.   Maintaining appropriate error-detection and accountability systems (Schein, 2009)

f.   Coaching, mentoring, informal and formal training and identifying role models (Schein, 2009)

g.   Embracing appropriate rites, rituals, symbols and narratives (Schein, 2009)

h. Taking advantage of the growth of subcultures (Schein, 2009)

i. Managing and promoting strong communities of practice (Wenger and Snyder, 2000).

Emerging Cultural Mandates

Schein (2002) notes several requisites for organizational success that organizational culture must now take into account;

i. The organization must be proactive, not just reactive

ii. The organization must influence and manage the environment, not just adapt

iii. The organization must be pragmatic, not idealistic

iv. The organization must be future-oriented, not predominantly present/past oriented

v. The organization must embrace diversity, not uniformity

vi. The organization must be relationship-oriented, not just task-oriented

vii. The organization must embrace external connectivity, as well as promote

internal integration

These fundamental assumptions are key to eliminating obstacles that will inhibit the kinds of internal and external organizational adaptations necessary for future success. They are not, however, sufficient. They must be reinforced by values, behavioural norms and patterns, artifacts and symbols, as well as accompanied by a particular mission, set of goals, and strategies.

Others emphasize more specific cultural mandates, such as that the modern organizational culture must be:

i. Team-oriented (Sherriton and Stern, 2007)

ii. Knowledge and learning oriented

iii.   Alliance and partnership oriented

Another emerging mandate is to:

a.   Know when to emphasize and how to balance cultural maintenance and cultural innovation (Trice and Beyer, 2001; Collins and Porras, 2004).

Managers must actively work to keep the existing organization culture relevant to the present and future while maintaining some sense of continuity with the past. Collins and Porras (2004) found that companies with long-term success had a limited but strong set of timeless core values that did not prevent organizational change over time. These companies were able to preserve the core while stimulating progress.

2.4.18   THE BENEFITS OF CULTURAL INTELLIGENCE TO ORGANIZATIONAL CULTURE AND PERFORMANCE

In the opinion of Robbins, Judge, Millet and Water-Mesh (2008), sometimes we notice that some individuals seem to have a knack for relating well to people from different culture. Some researchers have labeled this skill "cultural intelligence", which is an outsider's natural ability to interpret an individual's unfamiliar gestures and behaviours in the same way that others from individual's culture would. Cultural intelligence is important because when conducting business with people from different cultures, misunderstandings can often occur, and as a result, cooporation and productivity may suffer. Consider the following example, a manager from Cutix Plc was meeting with his fellow design team engineers, two of whom were from Chuks Brothers Plc. As ideas floated around the table, the manager's Chuk's colleagues quickly condemned them and remarked how poor the ideas were. The Cutix manager thought the feedback was harsh and concluded that his Chuks colleagues were rude. However, they were merely criticizing the

ideas, not the individual – a distinction the Cutix was unable to make, perhaps due to a lack of cultural intelligence. As a result, the Cutix became wary of contributing potentially good ideas. Had the Cutix been more culturally intelligent, he likely would have recognized the true motives behind his colleagues' remarks and thus may have been able to use those remark to improve his ideas. It is unclear whether the notion of cultural intelligent is separate from other forms of intelligence, such as emotional intelligence, and even whether cultural intelligence is different from cognitive ability. However, it is clear that the ability to interact well with individuals from different cultures is a key asset in today's global business environment.

2.4.19 GLOBAL CULTURAL FACTORS TO ORGANIZATIONAL CULTURE AND PERFORMANCE

In the opinion of Robert and John (2006), cultural forces represent another important concern affecting international Human Resource Management. Culture is composed of societal forces affecting the values, beliefs, and actions of a distinct of group of people. Cultural differences certainly exist between nations, and significant cultural differences also exist within countries. One has only to look at the conflicts caused by religion or ethnicity in Africa, the Middle East, and other parts of the world to see the importance of culture in international organizations. Convincing individuals from different religions, ethnic or tribal background to work together in a global firm may be difficult in some parts of the world. One widely used way to classify and compare culture was developed by Geert Hofstede, a Dutch scholar and researcher. Hofstede conducted research on more than 100,000 IBM employees in 53 countries, and he defined five dimensions useful in identifying and comparing cultures. A review of each of those dimension are as follows:

Power Distance: The cultural dimension of power distance refers to the inequality among the people of a nation. In countries such as Canada, the Netherlands, the United States, there is less inequality than in countries such as France, Mexico and Brazil. As power distance scores increases, status and authority differences between superiors and subordinates decreases. One way in which differences on this dimension affect Human Resource Management activities is that the reactions to management authority differ among cultures. Countries like the Netherlands and the United States may use more employee participation in decision making, while countries like Mexico and Brazil use a more autocratic approach to managing individualism. This refers to the extent to which people in a country prefer to act as individuals instead of members of groups. On this dimension, people in some Asian countries tend to focus less on individual interests and more on group interests, whereas those in the United States are more individualistic. These differences imply that more collective action and less individual competition are likely in countries that de-emphasize individualism.

Masculinity/femininity: The cultural dimension masculinity/femininity refers to the degree to which "masculine" values prevail over "feminine" values. Masculine values identified by Hofstede were assertiveness, performance orientation, success and competitiveness; feminine values included quality of life, close personal relationships, and caring. Respondents from Japan had the most masculine values, while those from the Netherlands had more feminine values.

Differences on this dimension may be tied to the role of women in the culture. Consider the different roles of women and the variation in what is "acceptable" for women in the United States, Saudi Arabia, Japan and Mexico. These differences suggest how this dimension might affect the assignment of women managers to jobs in those countries.

Uncertainty Avoidance: The dimension of uncertainty avoidance refers to the preference of people in a country for structured rather than unstructured situations. Nations focusing on avoiding uncertainty, such as Japan and France, tend to be more resistant to change. In contrast, people in places such as the United States and Great Britain tend to have more "business energy" and to be more flexible.

A logical use of differences in this factor is to anticipate how people in different countries will react to changes instituted in organizations. In more flexible cultures, what is less certain may be considered more intriguing and challenging, which may lead to great entrepreneurship and risk taking than in the more "rigid" countries.

Long-Term Orientation: Developed a decade after the original studies, the dimension of long-term orientation refers to the preference of people in a country for long-term values, emphasize the future, as opposed to short-term values, which focus on the present and the past. Long-term values include thrift and persistence, while short-term values include respect for tradition and fulfillment of social obligations. A long-term orientation was more present in Japan and India, while a short-term orientation tended to be held by people in the United States and France.

Differences in many other facets of culture could be discussed. But it is enough to note that international Human Resource Management managers and professionals must recognize the cultural dimension from country to country and even within countries. Therefore, the Human Resource Management activities appropriate in one culture or country may have to be altered to fit appropriately into another culture or country.

2.4.20 BASIS OF PERFORMANCE MANAGEMENT

Armstrong (2006) defines performance management as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. Processes exist for establishing shared understanding about what is to be achieved, and for managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. It focuses people on doing the right things by clarifying their goals. It is owed and driven by line management.

Aims of Performance Management

Armstrong (2006) further posits that the overall aim of performance is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership. Specifically, performance management is about aligning objectives to organizational objectives and ensuring that individuals uphold corporate core values. It provides for expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviours (expected to be). The aim is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Importantly, performance management is concerned with ensuring that the support and guidance people need to develop and improve are readily available.

The following are the aims of performance management as expressed by a variety of organizations

Source: (IRS 2003); IRS – Industrial Relations Services.

a.   Empowering, motivating and rewarding employees to do their best. *Armstrong world industries.*

b.   Focusing employee's tasks on the right things and doing them right. Aligning everyone's individual goals to the goals of the organization. *Eli Lilly and Co.*

c.   Proactively managing and resourcing performance against agreed accountabilities and objectives. *ICI paints*.

d.   The process and behaviours by which managers manage the performance of their people to deliver a high-achieving organization. *Standard Chartered Bank.*

e.   Maximizing the potential of individuals and teams to benefits themselves and the organization, focusing on achieving of their objectives. *West Bromwich Building Society.*

Characteristics of Performance Management

In the opinion of Armstrong (2006), he characterized performance management as a planned process of which the primary elements are agreement, measurement, feedback, positive reinforcement and dialogue. It is concerned with measuring outputs in the shape of delivered performance compared with expectations expressed as objectives. In this respect, it focuses on targets, standards and performance measures or indicators. It is based on the agreement of role requirement, objectives and performance and personal development plans. It provides the setting for ongoing dialogues about performance that involves the point and continuing review of achievements against objectives, requirement and plans. But it is also concerned with inputs and

values. The inputs are the knowledge, skills and behaviours required to produce the expected results. Developmental needs are identified by defining these requirements and assessing the extent to which the expected levels of performance have been achieved through the effective use of knowledge and skills and through appropriate behaviour that upholds core values.

Performance management is a continuous flexible process, which involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results. It is based on the principle of management by contract and agreement rather than management by command. It relies on consensus and co – operation rather than control or coercion. Performance management focuses on future performance planning and improvement rather than on retrospective performance appraisal. It functions as a continuous and evolutionary process, in which, performance improves overtime. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs. It is mainly concerned with individual performance but it can also be applied to teams. The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance or contribution – related pay, but its developmental aspects are much more important.

Reviewing Performance

Although performance management is a continuous process. It is still necessary to have a formal review once or twice yearly. This provides a focal point for the consideration of key performance and development issues. This performance review meeting is the means through which the five primary performance management elements of agreement, measurement, feedback, positive

reinforcement and dialogue can be put to good use. The review should be rooted in the reality of the employee's performance. It is concrete, not abstract and it allows managers and individuals to take a positive look together at how performance can become better in the future and how any problem in meeting performance standards and achieving objectives can be resolved. Individuals should be encouraged to assess their own performance and become active agents for change in improving their results. Managers should be encouraged to adopt their enabling role: coaching and providing support and guidance.

There should be no surprise in a formal review if performance issues have been dealt with as they should have been – as they arise during the year. Traditional appraisals are often no more than an analysis of where those involved are now, and where they have come from. This static and his topical approach is not what performance management is about. The true role of performance management is to look forward to what needs to be done by people to achieve the purpose of the job, to meet new challenges, to make even better use of their knowledge, skills and abilities to develop their capabilities by establishing a self-managed learning agenda, and to reach agreement on any areas where performance needs to be improved and how that improvement should take place. This process also helps managers to improve their ability to lead, guide and develop the individuals and teams for whom they are responsible. The most common practice is to have one annual review (65 percent of respondents to the 2003 CIPD survey). Twice-yearly reviews were held by 27 percent of the respondents. These reviews led directly into the conclusion of a performance agreement (at the same meeting or later). It can be argued that formal reviews are unnecessary and that it is better to conduct informal reviews as part of normal good management practice to be carried as part of normal good management

practice to be carried out as and when required. Such informal reviews are valuable as part of the continuing process of performance management (managing performance throughout the year). But there is everything to be said for an annual or half – yearly review that sums up the conclusions reached at earlier reviews and provides a firm foundation for a new performance agreement and a framework for reviewing performance informally whenever appropriate.

Criteria for Assessing Performance

The criteria for assessing performance should be balanced between;

*   Achievements in relation to objectives.

*   The level of knowledge and skills possessed and applied (competencies).

*   Behaviour in the job as it affects performance (competencies).

*   The degree to which behaviour upholds the core values of the organization.

*   Day – to – day effectiveness

The criteria should not be limited to a few quantified objectives, as has often the case in traditional appraisal schemes. In many cases, the most important consideration will be the job holders' day – to – day effectiveness in meeting the continuing performance standards associated with key tasks. It may not be possible to agree meaningful new quantified targets for some jobs every year. Equal attention needs to be given to the behaviour that has produced the results as to the results themselves.

2.4.21 PERFORMANCE APPRAISAL AND FEEDBACK

Stoner, Freeman and Daniel Jnr (2005) posit that, although helping others improve their performance is one of the manager's most important tasks, most managers freely admit

performance appraisal and improvement coaching gives them difficulty. Judging an employee's performance accurately is not always easy. Often it is even harder to convey that judgment to the employee in a constructive and painless manner and to translate feedback on past performance into future improvement. Determining appropriate compensation is a related task of great importance. In the same vein Jones and George (2006) says that, the recruitment/selection and training/development components of a human resource management system ensure that employees have the knowledge and skills needed to be effective now and in the future. Performance appraisal and feedback complement recruitment, selection, training, and development. *Performance Appraisal* is the evaluation of employees' job performance and contributions to the organization. *Performance Feedback* is the process through which managers share performance appraisal information with their subordinates, give subordinates an opportunity to reflect on their own performance, and develop, with subordinates, plans for the future. Before performance feedback, performance appraisal must take place. Performance appraisal could take place without providing performance feedback, but wise managers are careful to provide feedback because it can contribute to employee motivation and performance.

Performance appraisal and feedback contribute to the effective management of human resources in several ways. Performance appraisal gives managers important information on which to base human resource decision. Decisions about pay raises, bonuses, promotions, and job moves all hinge on the accurate appraisal of performance. Performance appraisal can also help managers determine which workers are candidates for training and development and in what areas. Performance feedback encourages high levels of employee motivation and performance. It lets good performers know that their efforts are valued and appreciated. It also lets poor performers know that their lackluster performance needs improvement. Performance feedback can provide

both good and poor performers with insight on their strengths and weaknesses and ways in which they can improve their performance in the future.

Types of Performance Appraisal

Performance appraisal focuses on the evaluation of *traits*, *behaviour* and *results*.

Trait Appraisals: When trait appraisals are used, managers assess subordinates on personal characteristics that are relevant to job performance, such as skills, abilities or personality. A factory worker, for example, may be evaluated based on her ability to use computerized equipment and perform numerical calculations. A social worker may be appraised based on his empathy and communicated skills. Three disadvantages of trait appraisals often lead managers to rely on other appraisal methods. First, possessing a certain personal characteristic does not ensure that the personal characteristic will actually be used on the job and result in high performance. For example, a factory worker may possess superior computer and numerical skills but be a poor performer due to low motivation. The second disadvantage of trait appraisal is linked to the first. Because traits do not always show a direct association with performance, workers and courts of law may view them as unfair and potentially discriminatory. The third disadvantage of trait appraisals is that they often do not enable managers to provide employees with feedback that they can use to improve performance.

Because trait appraisals focus on relatively enduring human characteristics that change only over the long term, employees can do little to change their behaviour in response to performance feedback from a trait appraisal. Telling a social worker that he lacks empathy provides him with little guidance about how to improve his interactions with clients, for example. These

disadvantages suggest that managers should use trait appraisals only when they can demonstrate that the assessed traits are accurate and important indicators of job performance.

Behaviour Appraisal: Though behaviour appraisals, managers assess how workers perform their jobs – the actual actions and behaviours that workers exhibit on the job. Whereas trait appraisal assess what workers are like, behaviour appraisals assess what workers do. For example, with a behaviour appraisal, a manager might evaluate a social worker on the extent to which he looks clients in the eye when talking with them, expresses sympathy when they are upset, and refers them to community counseling and support grounds geared toward the specific problem they are encountering. Behaviour appraisals are especially useful when how workers perform their jobs is important. In educational organizations such as high schools, for example, the number of classes and students taught is important, but also important is how they are taught or the methods teachers use to ensure that learning take place.

Behaviour appraisals have the advantage of providing employees with clear information about what they are doing right and wrong and how they can improve their performance. And because behaviours are much easier for employees to change than traits, performance feedback from behaviour appraisals is more likely to lead to performance improvements.

Result Appraisals: For some jobs, how people perform the job is not as important as what they accomplish or the results they obtain. With result appraisals, managers appraisal performance by the results or the actual outcomes of work behaviours, as is the case at Semco in "A managers' challenges". Take the case of two new-car salespersons. One salesperson strives to develop personal relationships with her customers. She spends hours talking to them and frequently calls them up to see how their decision-making process is going. The other salesperson has a much

more hands-off approach. He is very knowledgeable, answers customers' questions, and then waits for them to come to him. Both sales persons sell, on average, the same number of cars, and the customers of both are satisfied with the service he receive, according to postcards that the dealership mails to customers asking for an assessment of their satisfaction. The manager of the dealership appropriately uses result appraisals (sales and customer satisfaction) to evaluate the salespeople's performance because it does not matter which behaviour salespeople use to sell cars as long as they sell the desired number and satisfy customers. If one salesperson sells too few cars, however, the manager can give that person performance feedback about his or her low sales.

Who Appraises Performance

We have been assuming that managers or the supervisors of employees evaluate performance. This is a pretty fair assumption, for supervisors are the most common appraised of performance; indeed, each year 70 million U.S citizens have their job performance appraised by their managers or supervisors. Performance appraisal is an important part of most manager's job duties. Managers are responsible for not only motivating their subordinates to perform at a high level but also making many decisions hinging on performance appraisals, such as pay raises or promotions. Appraisals by managers can be usefully augmented by appraisals from other sources as illustrated in fig 2.10.
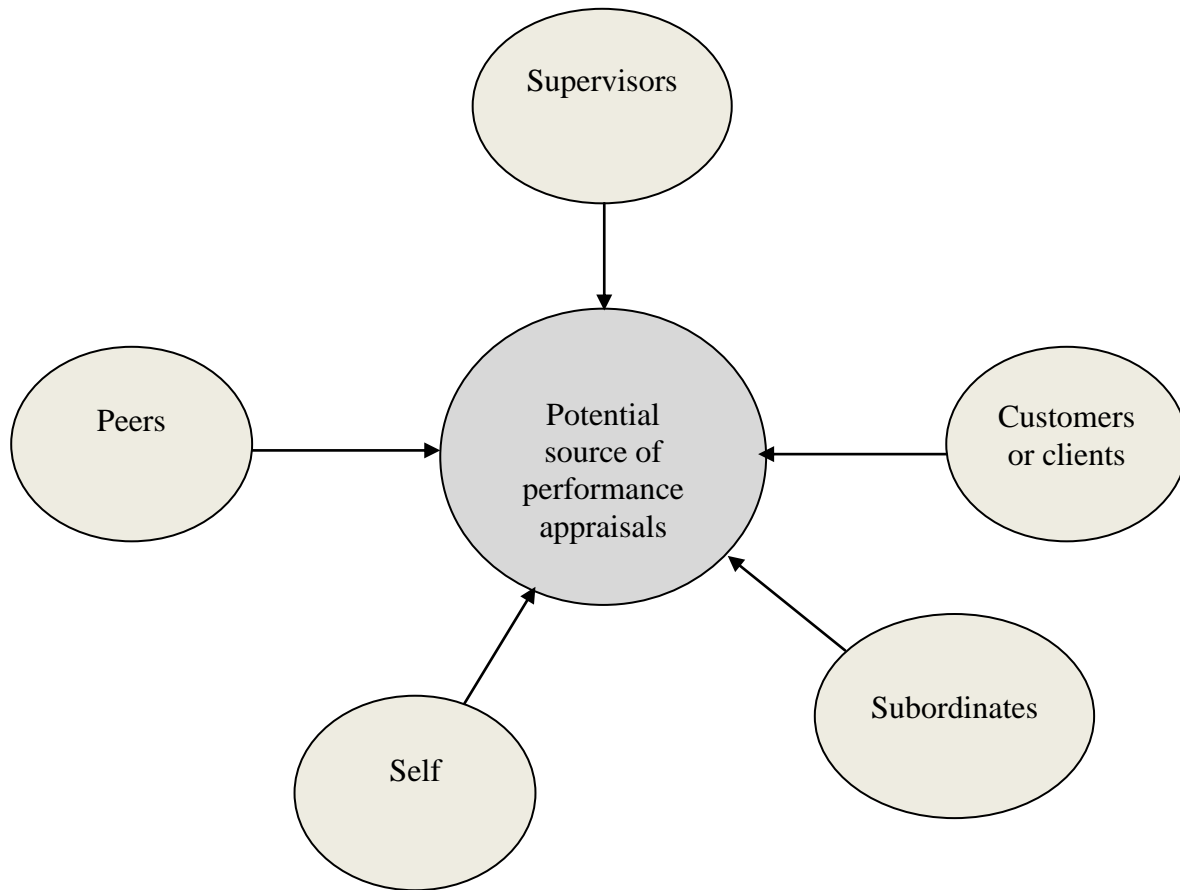
Fig. 2.8: *Who Appraises Performance*

Source: *Jones,G. and George,J. (2006:435) Contemporary Management, New York,, McGraw – Hill/Irwin.*

Performance appraisals can be conducted by anyone familiar with the performance of individual

employees. Possible combinations include the following:

- Supervisors rating their employees

- Employees rating their supervisors

- Team members rating each other

- Employees rating themselves

- Outside sources rating employees

- A variety of parties providing multisource, or 360°, feedback.

The rating of employees by their immediate supervisors or managers to whom supervisors report is the most common method. The immediate superior has the main responsibility for appraisals in most organizations, although often the supervisor's boss may review and approve the appraisals. The growing use of teams and a concern with customer input contribute to two fast-growing sources of appraisal information: team members and parties outside the organization. Multi-source (or 360°) feedback combines numerous methods and has recently grown in usage.

Supervisory Rating of Subordinates

The most widely used means of rating employees is based on the assumption that the immediate supervisor is the person most qualified to evaluate an employee's performance realistically and fairly. To help themselves provide accurate evaluations, some supervisors keep performance logs noting their employee's accomplishments. These logs provide specific examples to use when rating performance. Fig 2.11 shows the traditional review process by which supervisors conduct performance appraisal on employees.

HUMAN RESOURCE
MANAGEMENT
Department
* Designs Appraisal Systems
* Trains Supervisors

Who designs the appraisal process?

Who appraises whom?

Who receive the appraisal results?

Supervisor
* Appraises direct-report employees
* Provides performance feedback to employees

Manager
* Reviews supervisory ratings
* Coaches supervisor on feedback

What happens next?

Employee
* Addresses performance issues
* Sets goals with supervisor

Fig. 2.9: *Traditional Performance Appraisal Process*

Source: *Mathis, H. and Jackson, J. (2006:340) Human Resource Management, USA,. Thomson South-Western.*

Employee Rating of Managers

A number of organizations today ask employees or group members to rate the performance of supervisors and managers. A prime example of this type of rating take place in colleges and

universities, where students evaluate the performance of Professors in the classroom. Performance appraisal ratings also are used for management development purposes. Having employees rate managers provide three primary advantages. First, in critical manager/employee relationships, employee rating can be quite useful for identifying competent managers. The rating of leaders by combat soldier is one example of such a use. Second, this type of rating program can help make a manager more responsive to employees. This advantage can quickly become a disadvantage if the manager focuses on being "nice" rather than on managing; people who are nice but have no other qualifications may not be good managers in many situations. Finally, employee appraisal can contribute to career development efforts for managers by identifying areas for growth. A major disadvantage of having employees rate managers is the negative reaction many supervisors have to being evaluated by employees. Also, the fear of reprisals may be too great for employees to give realistic ratings. This fear may prompt workers to rate their managers only on the way the managers treat them, not on critical job requirements. The problems associated with this appraisal approach limit its usefulness to certain situations, including managerial development and improvement efforts.

Team/Peer Rating

Having employees and team members rate each other is another type of appraisal with potential both to help and hurt. Peer and team ratings are especially useful when supervisors do not have the opportunity to observe each employee's performance, but other work group members do. One challenge of this approach is how to obtain ratings with virtual or global teams, in which the individuals work primarily through technology, not a person. Another challenge is how to obtain ratings from and for individuals who are on different special project team throughout the year. Some contend that any performance appraisal, including team/peer ratings, can negatively affect

teamwork and participative management efforts. Although team members have good information on one's another's performance, they may not choose to share it. They may unfairly attack, or "go easy" to spare feelings. Some organizations attempt to overcome such problems by using anonymous appraisals and/or having a consultant or Human Resource Management manager interpret team/peer ratings. Despite the problems, team/peer performance ratings are probably inevitable, especially where work teams are used extensively.

Self Rating

Self-appraisal works in certain. As a self-development tool, it forces employees to think about their strengths and weakness and set goals for improvement. Employees working in isolation or possessing unique skills may be the only ones qualified to rate themselves. However, employees may not rate themselves as supervisors would rate them; they may use quite different standards. Evidence showing whether people tend to be more lenient or more demanding when rating themselves is mixed, with self-rating frequently higher than supervisory ratings. Still employee self-ratings can be useful source of performance information for development.

Outsider Rating

People outside the immediate work group may be called in to conduct performance reviews. This field review approach can include someone from the Human Resource Management department as a reviewer, or completely independent reviewers from outside the organization. Examples include a review team evaluating a college president, and a panel of division managers evaluating a supervisor's potential for advancement in the organization. A disadvantage of this approach is that outsiders may not know the important demands within the work group or organization. The customer or clients of an organization are obvious sources for outside appraisal. For sales and service jobs, customers may provide very useful input on the

performance behaviours of employees. One firm measures customer service satisfaction to determine bonuses for top marketing executives. Use of such input has led to multisource rating.

Multisource/360 Degree Feedback Performance Appraisal

To improve motivation and performance, some organizations include 360-degree appraisals and feedback in their performance appraisal systems, especially for managers. In a **360-degree appraisal**, a variety of people, beginning with the manager and including peers or co-workers, subordinates, supervisors, and sometimes even customers or clients appraise a manager's performance. The manager receives feedback based on evaluations from these multiple sources. The growing number of companies using 360-degree appraisals and feedback include AT & T Corporation, Allied Signal Inc, Eastman Chemical Co; and Baxter International Inc. For 360-degree appraisals and feedback to be effective, there has to be trust throughout an organization. More generally, trust is a critical ingredient in any performance appraisal and feedback procedure. In addition, research suggests that 360-degree appraisals should focus on behaviour rather than traits or results and that managers need to carefully select appropriate raters. Moreover, appraisals tend to be more honest when made anonymously, as is the case at Semco in "a Manager's Challenge", and when raters have been trained in how to use 360-degree appraisal forms. Additionally, managers need to think carefully about the extent to which 360-degree appraisals are appropriate for certain jobs and be willing to modify any system they implement when they become aware of unintended problems the appraisal system is responsible for.

Even when 360-degree appraisals are used, it is sometimes difficult to design an effective process by which subordinates' feedback can be communicated to their managers. Advances in information technology provide organizations with a potential solution to this problem. For example, **Improve-Now.com** has online questionnaires that subordinates can fill out to evaluate

the performance of their managers and provide the managers with feedback. Each subordinate of a particular manager completes the questionnaire independently, all responses are tabulated, and the managers is given specific feedback on behaviours in a variety of areas, such as rewarding good performance, looking out for subordinates' best interest and being supportive, and having vision for the future. For example, Sonia Russomanno, a manager at Alliance Funding, a New Jersey Mortgage lending organization, received feedback from her nine subordinates online from **Improve.com**. She received an overall grade of B and specific feedback on a variety of dimensions. The experience drove home to Russomanno the importance of getting honest feedback from her subordinate and listening to it to improve her performance as a manager. She has changed how she rewards her subordinate as a result and plans on using this service in the future to see how she is doing. Multisource/360-degree feedback appraisal is shown in fig 2.10.
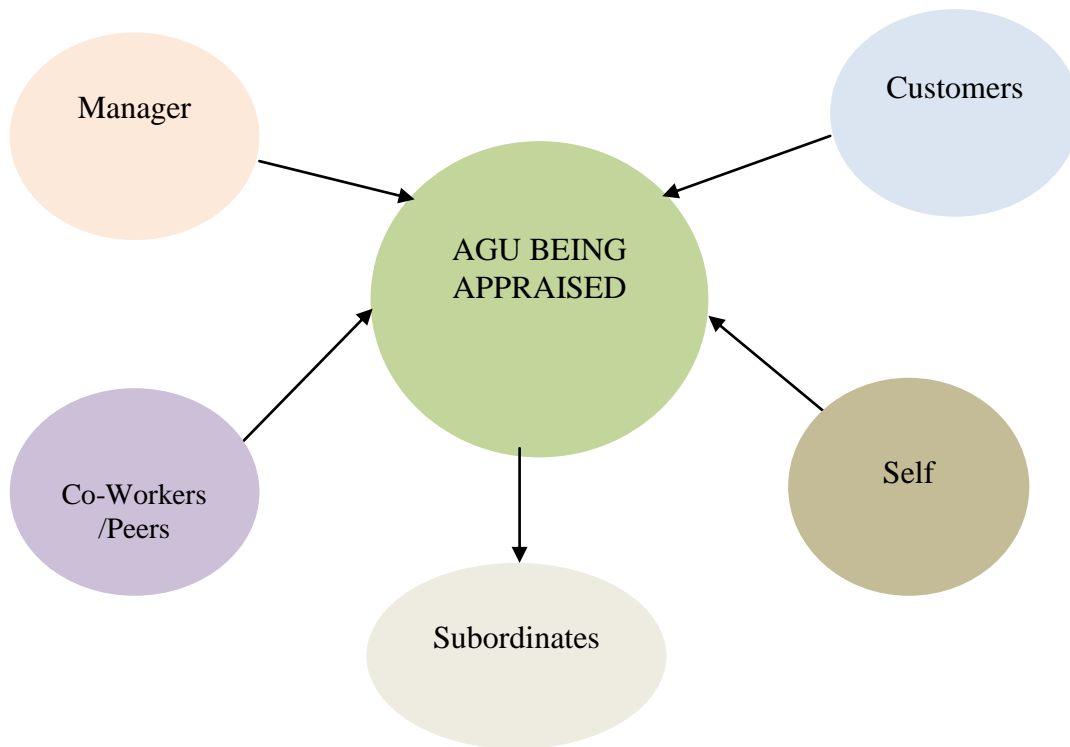
Fig. 2.10: *Multisource/360-degree Feedback Appraisal*

Source: *Mathis,H. and Jackson,J. (2006:342), Human Resource Management, USA, Thomson South-Western.*

Effective Performance Feedback

For the performance appraisal and feedback component of a human resource management system to encourage and motivate high performance, managers must provide their subordinates with performance feedback. To generate useful information to feed back their subordinates, managers can use both formal and informal appraisal. **Formal appraisals** are conducted at set times during the year and are based on performance dimensions and measures that have been specified in advance. A salesperson, for example, may be evaluated by his or her manager twice a year on the performance dimensions of sales and customer service, sales being objectively measured from sales reports and customer service being measured with a BARS (Behaviourally Anchored Rating Scale). Managers in most large organizations use formal performance

appraisals on a fixed schedule dictated by company policy, such as every six months or every year. An integral part of a formal appraisal is a meeting between the manager and the subordinate in which the subordinate is given feedback on performance. Performance feedback lets subordinates know which areas they are excelling in and which areas need improvement; it also should provide them with guidance for improving performance. Realizing the value of formal appraisals, managers in many large corporations have committed substantial resources to updating their performance appraisal procedures and training low-level managers in how to use them and provide accurate feedback to employees. Formal performance appraisals are conducted every six months, during which actual performance is compared to planned performance. Formal performance appraisals supply both managers and subordinates with valuable information; but subordinates often want feedback on a more frequent basis, and managers often want to motivate subordinates as the need arises. For these reasons many companies, supplement formal performance appraisal with frequent **informal appraisals** for which managers and their subordinates meet as the need arises to discuss ongoing progress and areas for improvement. Moreover, when job duties, assignments, or goals change, informal appraisals can provide workers with timely feedback concerning how they are handling their new responsibilities.

Managers often dislike providing performance feedback, especially when the feedback in negative, but doing so is an important managerial activity. Here are some guidelines for giving effective performance feedback that contributes to employee motivation and performance.

* *Be specific and focus on behaviours or outcomes that are correctable and within a workers ability to improve.* Example: Telling a salesperson that he is too shy when interacting with customers is likely to do nothing more than lower his self- confidence

and prompt the salesperson to become defensive. A more effective approach would be to give the salesperson feedback about specific behaviours to engage in-greeting customers as soon as they enter the department, asking customers whether they need help, and volunteering to help customers find items if they seem to be having trouble.

* *Approach performance appraisal as an exercise in problem-solving and solution finding, not criticizing.* Example: Rather than criticizing a financial analyst for turning in reports late, the manager helps the analyst determine why the reports are late and identify ways to better manage her time.

* *Express confidence in a subordinate's ability to improve.* Example: Instead of being skeptical, a first-level manager tells a subordinate that he is confident that the subordinate can increase quality levels.

* *Provide performance feedback both formally and informally.* Example: The staff of a preschool receives feedback from formal performance appraisal twice a year. The director of the school also provides frequent informal feedback such as complimentary staff members on creative ideas for special projects, noticing when they do a particularly good job handling a difficult child, and pointing out when they provide inadequate supervision.

* *Praise instances of high performance and areas of a job in which a worker excels.* Example: Rather than focusing on just the negative, a manager discuss the areas her subordinate excels in as well as the areas in need of improvement.

* *Avoid personal criticisms and treat subordinates with respect.* Example: An engineering manager acknowledges her subordinates' expertise and treats them as professionals. Even

when the manager points out performance problems to subordinates, she refrains from criticizing them personally.

* *Agree to a time table for performance improvement.* Example: A first-level manager and his subordinate decide to meet again in one month to determine if quality levels have improved.

In following these guidelines, managers need to remember why they are giving performance feedback: to encourage high levels of motivation and performance. Moreover, the information that managers gather through performance appraisal and feedback helps them determine how to distribute pay raises and bonuses.

2.4.22 THE APPLICATION OF ORGANIZATIONAL CULTURE TO PUBLIC SCIENCE MANAGEMENT

In understanding the role of organizational culture in achieving the desired changes in public science management, the various public science organizations will need to understand not only their internal culture but the cultural attributes best suited to promoting desired behaviours on the part of the science system as a whole. An important role for public science management is to help define and bring about the cultural orientations that will provide the context and promote the behaviours, values, and relationships that foster effective science, including scientific collaborations. This literature suggests it would be worthwhile to (1) Identify how science funding and directing organizations could promote appropriate cultural orientations and a favourable cultural environment for publicly funded science organizations (laboratories, universities, and private Research & Development Centres) and (2) determine the cultural orientations and cultural environment needed within the funding and directing organizations to

make this happen. In organizations responsible for both science and national security, such as the US Departments of Energy and Defense, a significant challenge is to balance the cultural requirements of creativity and collaboration with those of regulatory compliance and the protection of classified information. Relevant questions for managers of publicly funded science include:

1. Have the goals and strategies for effecting effective and efficient scientific development changed over time?

2. What culture attributes are necessary to help achieve the goals and strategies on the part of publicly funded science organizations (public and private laboratories, universities, Research & Development Centres, etc.) as well as the goals and strategies necessary to achieve effective and efficient scientific development for the system as a whole? Is there potential conflict between these two sets of goals and strategies? How could this conflict be addressed?

3. How can public science funding and directing organizations (Such as the National Science Foundation, the DOE Office of Science, etc.) contribute to bringing about desired cultural attributes in these publicly funded science organizations? What are the obstacles to doing this?

4. Will the culture (and perhaps goals, strategies, structures and practices) of public science funding and directing organizations need to change in order for them to be successful in effecting desired change within the publicly funded science organizations? If so, what changes may be necessary?

5. How can desired cultural (as well as strategy, structure, and practice) changes be identified by and promoted within the many public science funding and directing

organizations? Will this require a collaborative effort among these organizations? If so, how can this collaboration be encouraged? What are the obstacles to successful cultural change?

2.5   SUMMARY OF REVIEW OF RELATED LITERATURE

Organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and things get done. Values refer to what is believed to be important about how people and the organizations behave. Norms are the unwritten rules of behaviour. In the opinion of Schein's theory of 2001, 2005, 2002, organizational culture is defined as "A pattern of shared basic assumptions that the group learned as solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as a correct way to perceive, think and feel in relation to those problems". He opined that organizational culture is the learned result of group experience, it is to a large extent unconscious. Organizations are owned and managed by individuals. Because of individual differences in the terms of resource capability, motives/needs, interest and disposition, each organization is generally a reflection of its owner(s). In other words, every organization is peculiar in outlook, operations and culture. In the words of Wright (2005:39) "Similarities between organizations can be found among their parts, but each organization as a whole has a unique culture".

Understanding an organization starts with looking at its culture – the ownership structure, the management, workers, type of business, its achievements and short-comings. These factors taken together, represent the culture of the organization. A new employee needs to take time to

understand the culture. Like the Ibo saying, "if one goes to a place for the first time, he should endeavour to stand on one leg, with the other leg up and hanging". This implies that it is best for one to understand the way things are done in a work place before getting actively involved in the applicable activities. By so doing, the new employee will get acclimatized and is ready to work to the best of the circumstance. This would make the work of the human resource staff easy, very interesting and rewarding, since they would get the cooperation of all and sundry. To illustrate, the Human Resource manager of Lion Bank Plc has received the report of the just concluded training conducted for manager/trainees. In line with the expectation, 80% of the trainees were dissatisfied with the bank's training programme, and particularly with the bank's training officers and coordinator. Concerned about his job, given the fact that the training coordinator is the half-brother to the Area General Manager, this puts him in a dilemma. A management meeting has been called for next week to discuss the training exercise. He is now contemplating whether to present the report in line with the result from the investigation. Fearful of the possible outcome (antagonism from the Area General Manager), he decided to make a case that this batch of trainee managers be subjected to another training since their earlier training did not provide them with the necessary skills with which to perform their duties effectively.

As he was presenting the report, the branch manager of the area headquarters suggested employing a senior training specialist, with adequate experience to be in-charge of training. Two other managers supported the suggestion and the Human Resource manager was directed to start the process of actualizing the decision. Every organization has one primary and possible more objectives at any point in time. This objective helps in formulating how to get about achieving it. The provided means of achieving the objective shows the strategy. The relationship between the

management and labour in what is called employer-employee relations as well as that with the external influences/environment, determine the culture of the organization. In Nigeria, most organizations are cost conscious. It is either that they want labour cost down because it is already high or that they intend to compromise quality by going for low quality of their products. Any one that will be applied without compromising sales will be chosen.

No matter what the culture of an organization is, it will have to strike a balance between its positive and negative impact on the organization. On the positive side, is the cooperation between groups and workers. As is usual, when and where human beings get together, conflicts do arise. Conflicts are regarded as a negative force, but because they are inevitable, ways of effectively managing them should be sought and put in place. Some conflict situations end up benefiting the organization; as such, have a trade-off effect. To explain, Lady A is widely regarded as troublesome in company XYZ where she works as a senior typist. One day, she met her waterloo as she engaged a new transferred typist, lady P in an argument over who should do an assignment. As everyone around watched the two in the ensuing encounter and to the delight of many, lady P. floored Lady A. After that incidence, she went into herself and the workplace had relative serenity.

Jackall (2008:96) opines that organizational culture is highly relevant for understanding the things that characterize organizations, including financial and other forms of performance.

Some identified key points of this literature are as follows:

* Culture as building block – Corporate culture is assumed to be designed by management and having a strong impact on results.

*   Management as symbolic action – Culture is seen as mediated in actions, language use and arrangements primarily affecting beliefs and understandings, thus having mainly consequences on attitudes and orientations, and less directly so for 'substantive outcomes' (such as profits).

*   Culture as a terrain of possibilities and pitfalls – understanding culture is important for managers' possibilities in navigating in and with the organization.

*   The management style and the corporate culture led to people being knitted more closely to each other and to the company. A feeling of loyalty was fostered.

Therefore, the literature on organizational culture is rich and diverse. Much of its richness is founded on the claim that culture is linked to organizational performance. Even though there are some theorists that questioned the culture – performance link, sufficient evidence exists to suggest that organizational culture is not associated with organizational performance because the organization's leaders may not be visionary or if the organization's environment is influencing the organization and its activities negatively and or where innovation and competitive cultures had no direct effect on performance and accounted for approximately 25% of the variance in organizational performance (Ajazen and Fishbein, 2000). Furthermore, some scholars and practitioners have constantly argued that both financial and non-financial measures should not be used to determine the organizational performance because performance can only be measured financially or by profit (Harold and Darlene, 2004; Japlan and Norton, 2002; Rajendar and Jun Ma, 2005). There are many mistakes that hinders organization for goal achievement such as lack of adequate communication and mutual understanding of which if these functions are not

fulfilled in a satisfactory way, culture may significantly reduce the efficiency of an organization (Wright, 1975).

In view of the aforementioned gaps, the researcher will among other things contribute as he posits that current investigations show that organizational performance is routed to organizational culture because culture represents the social glue and generates a 'we-feeling' , thus counteracting process of differentiation that are an unavoidable part of organizational life. Furthermore, the researcher affirms that both financial and non-financial measures should be used to measure/determine organizational performance because performance is a broader indicator that can include productivity, quality, consistency and so forth. On the other hand, performance measures can include results, behaviours (Criterion – based) and relative (normative) measures, education and training concepts and instruments including management development and leadership training for building skills and attitudes of performance. The researcher also affirms that organizational culture offers a shared system of meanings that is the basis for communication and mutual understanding that helps to reduce ambiguity in the organization thereby increasing the efficiency significantly and satisfactorily increase organizational performance.

Finally, the researcher affirms that firms with cultures suited to their market environment have better performance than those that are less fitted to their environment because there should be an enabling environment for an organization to achieve its goals. Marketing and production can also be defined in corporate cultures. Marketing cultures include a marketing orientation where organization develop and maintain a viable fit between the organization's objectives, skills, and resources to the changing opportunities (Jaworski and Kohli, 2003). Production on the other hand is any process or procedure designed, as well as organized to transform a set of input

components into a specified set of output elements. Thus, the production system in the scientific sense consists of inputs, the transforming process, outputs, and elements of control and/or monitoring devices. By a system, we refer to a set of functions, activities, elements or components related to the achievement of an objective or set of objectives (Imaga, 1996). In effect, marketing oriented organizations design their products and service offerings to meet customer needs with a profit. Business success depends on effective analysis of marketing strategies, planning marketing programs and organizing, implementing and controlling and marketing effort (Kotler, 2000).

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1   INTRODUCTION

Methodology refers to the theory of how research should be undertaken, including the theoretical and philosophical assumptions upon which research is based and the implications of these for the method or methods adopted. **Method** is the techniques and procedures used to obtain and analyze research data; including for example questionnaires, observation, interviews and statistical and non statistical technique. (Saunders et al, 2009:595).

Some philosophical research writers such as Guba and Lincoln (2000:105) say that both qualitative and quantitative methods may be used appropriately with any research paradigm. Questions of method are secondary to questions of paradigm, which we define as the basic belief system or world view that guides investigation, not only in choices of method but in ontologically and epistemologically fundamental ways.

This chapter contains all the methods the researcher will adopt on the course of the study to analyze the data, sources of data and techniques to work on the collected data. This chapter also contains the research design, the population of study, instrument for data collection, sample size determination, validity of instrument, reliability of instrument and method of data analysis.

3.2   RESEARCH DESIGN

Design as it is used in a pure research context refers to the total constructional plan or structure of the research framework. Research design therefore means the structure and planning of the

entire approach to a problem for research (Ikeagwu, 1998). It is a plan for collecting and analyzing data in order to answer the investigator's question (Holsti, 2004). Research design is the specification of procedures for collecting and analyzing the data necessary to help identify a problem or to help solve the problem at hand, such that the difference between the cost and accuracy is minimized. A suitable research design for a study minimizes bias and maximizes the reliability of collected evidence, since bias results from subjectivity of facts, reliability can be attained through objectivity and by asserting confidently that repeating the collection of facts or evidence produce similar findings. Descriptive survey satisfies these conditions and reflects appropriate designs (Ikeagwu, 1998).

Agbaeze (2003) asserts that research design serves as a total map or plan of action sharing what and how the researcher will carry out step by step procedure of accomplishing the research endeavour. It is a blue print for collection, evaluation and analysis of the necessary data for a study. Thus, research design for this study as adopted is "***survey method***" and is a process of analyzing only a part of the population i.e. the sample in such a manner that the part so selected for analysis will be deemed to be true representative of the entire population. The choice of survey method is that it is cost effective, dependable and a true representation of the entire population.

3.3   SOURCES OF DATA

The sources of data in this study comprise of the primary and secondary sources.

Primary Data: These consist of all the data and information obtained personally from respondents through interviews and the use of questionnaire. They are primary in nature because they have not been published elsewhere.

Secondary Data: These are data that were collected from published articles, unpublished seminars and workshop papers, annual and other journals, magazines, government gazettes, internal records, textbooks, and the internet which were used to measure organizational performance.

Oral interview: Because of the difference in interview situations and to curb it, the researcher embark on oral interview of the staff of the selected manufacturing industry to complement the original questions asked in the questionnaire to ascertain their views and position towards the research work. This helped in giving this work a wider view point which positively impacted on its output.

3.4   POPULATION OF THE STUDY

The target population of this study comprised of the junior and senior staff of the selected manufacturing companies within the south east zone. As at the period of this study, the total staff strength of these organizations is made up of 1,108. Specifically, the population of this study comprised the following:

Table 3.1: Staff strength of the studied industry

COMPANY	JUNIOR	SENIOR	TOTAL
Nigerian Breweries Plc. Enugu	176	60	236
PZ Industrial Plc Ebonyi	150	80	230
Chuks Brothers (Nig) Plc Abia	188	46	234

Juhel Plc Anambra	79	10	89
Unilever Nigeria Plc Imo	227	92	319
Total	**288**	**820**	**1108**

Source: *Field Study 2014*

3.5   SAMPLE SIZE DETERMINATION

It is not possible to interview everybody in the population which comprises all the employees in the firms. As a result, the researcher deemed it fit to select a representative number of employees in the firms. The population of the study is a pooled population drawn from five organizations. The sample size is determined therefrom which in the determinations of the sample size. The Saunders et al. (2009) three (3) process formular for sample size determination was adopted in which the three processes include:

Minimum sample size $\longrightarrow$ Adjusted sample size $\longrightarrow$ Actual sample size

The population of this study is 1108

The formular for calculating the minimum sample size is

$$n = P\% \times q\% \times \left(\frac{z}{e\%}\right)^2$$

where n =   Minimum sample size required

P%   =   The   population belonging to the specified category (i.e. percentage

estimate of response rate)

q%   =   The population not belonging to the specified category (i.e. 100% - p%)

Z   =   The Z – value corresponding to the level of confidence required (i.e. at

95% confidence level; Z - value = 1.96)

e%   =   The margin of error required (i.e. at 5%)

:. P%   =   67% (this is because hand delivery way adopted in questionnaire

                Administration and based on pre-instrument testing)

q%   = $(100 - 67)\% = 33\%$

Z – value =   1.96

e%   =   5%

Substituting in the above formular

n   =   67% x 33% x $\left(\dfrac{1.96}{5\%}\right)^2$

n   =   2211 $\left(\dfrac{3.8416}{25}\right)$

n   =   2211   (0.153664)   =   339.7
:.   Minimum sample size n   =   339.7

To calculate the adjusted sample size

n^1 = $\dfrac{n}{1 + \left(\dfrac{n}{N}\right)}$

Where n^1 =   The adjusted sample size

n   =   The minimum sample size, (i.e. predetermined value of 339.7)

N   =   The population of the study

:. n^1 = $\dfrac{339.7}{1 + \left(\dfrac{339.7}{1108}\right)}$

$$= \quad \frac{339.7}{1 + 0.3065884}$$

$$= \quad \frac{339.7}{1.3065884} \quad = \quad 259.99 = \quad 260$$

Computation of actual sample size:

na   = $\dfrac{\text{n x 100}}{\text{re\%}}$

Where na   =   Actual sample size required

n   =   The minimum sample size (i.e. 339.7)

re%   =   The estimated response rate expressed as a percentage(67%)

na   = $\dfrac{339.7 \times 100}{67}$ = $\dfrac{33970}{67}$ =   507.01

=   ___***508***___

To determine percentage representative allocation of the population:

Nigerian Breweries Plc. Enugu;

$$= \quad \frac{236}{1108} \quad x \quad \frac{100}{1} \quad = \quad \textbf{21.29\%}$$

PZ Industries Ebonyi;

$$= \quad \frac{230}{1108} \quad x \quad \frac{100}{1} \quad = \quad \textbf{20.75\%}$$

Chuks Brothers Nigeria Plc Abia;

$$= \quad \frac{234}{1108} \quad x \quad \frac{100}{1} \quad = \quad \textbf{21.11\%}$$

Juhel Nigeria Plc Anambra;

$$= \frac{89}{1108} \quad x \quad \frac{100}{1} \qquad = \qquad \mathbf{8.03\%}$$

Unilever Nigeria Plc Imo;

$$= \frac{319}{1108} \quad x \quad \frac{100}{1} \qquad = \qquad \mathbf{28.79\%}$$

In the number of copies of the questionnaire to be distributed in the five manufacturing organizations under study, the proportional representation was used.

Nigerian Breweries Plc. Enugu

$$\frac{21.29}{100} \quad x \quad \frac{508}{1} \quad = \qquad 108 \text{ copies of the questionnaire}$$

PZ Industries Plc Ebonyi;

$$\frac{20.75}{100} \quad x \quad \frac{508}{1} \quad = \qquad 106 \text{ copies of the questionnaire}$$

Chuks Brothers (Nigeria) Plc Abia

$$\frac{21.11}{100} \quad x \quad \frac{508}{1} \quad = \qquad 107 \text{ copies of the questionnaire}$$

Juhel (Nigeria) Plc Anambra;

$$\frac{8.03}{100} \quad x \quad \frac{508}{1} \quad = \qquad 41 \text{ copies of the questionnaire}$$

Unilever Nigeria Plc Imo;

$$\frac{28.79}{100} \quad x \quad \frac{508}{1} \quad = \quad 146 \text{ copies of the questionnaire}$$

Table 3.2: Population statistics

S/N	Company	Junior	Senior	Total	Questionnaire allocation	Percentage allocation
1	Nigerian Breweries Plc. Enugu	176	60	236	108	21.29
2.	PZ Industries Plc Ebonyi	150	80	230	106	20.75
3.	Chuks Brothers Nig. Plc Abia	188	46	234	107	21.11
4.	Juhel (Nig) Plc Anambra	79	10	89	41	8.03
5.	Unilever (Nig) Plc Imo	227	92	319	146	28.79
	Total	**288**	**820**	**1108**	**508**	**100**

Source: *Field Survey, 2014*

3.6 INSTRUMENTS FOR DATA COLLECTION

The instrument used for data collection is the questionnaire. The questionnaire to be used consists of two sections, the section **A** is the respondents profile, while the section **B** is the general information. The questionnaire is designed using 5 point Likert scale that will be constructed according to the objectives of the study and oral interview was carried out to support the questionnaire.

3.7 VALIDITY OF INSTRUMENT

Uzoagulu (1988) defines validity of an instrument as measuring what it intends to measure. Furthermore, validity deals with soundness and effectiveness of the measuring instrument. In order to ensure that the research instrument applied in this work are valid, the researcher ensured that a proper structuring of the questionnaire was done by conducting a pre-test of every question in the questionnaire to ensure its validity. The researcher adopted content validity because he was able to cover all the relevant characteristics of the study theme. Due to the fact that the stratified sampling was used to get the sample size of 508 and stratified sampling is a probability sampling technique, the same version of research instrument was administered to the same sample, the measure has content validity. The team of panel and supervisor made their inputs and their corrections were reflected to the content validity of questionnaires after several amendments.

3.8 RELIABILITY OF INSTRUMENT

Uzoagulu (1988) defines reliability of a test instrument as the consistency of the test in measuring whatever it purports to measure. Test-retest method was used to determine the reliability of the instrument while Spearman Correlation was used to determine the Coefficient of the reliability of the instrument. The nearer the result approaches the unit **one (1)** the more reliable the instrument hence the Spearman's Rank Correlation Coefficient (r_s) obtained is 0.81 indicating a high Correlation (see appendix four).

3.9 METHOD OF DATA ANALYSIS

The primary data collected through the questionnaire will be analyzed and presented using different descriptive and non-parametric methods. The data will be presented using simple

percentage table, while the hypotheses formulated earlier will be tested using "chi-square" and correlation (Pearson). Hypotheses one and four will be tested with chi-square, hypotheses two, three and five with Pearson Product Moment Correlation.

All the five hypotheses will be tested at 5% error. However, the level of significance is represented at 95 degree of confidence. Hypotheses two, three and five will be tested using Pearson Product Moment Correlation at 4 degrees of freedom. Also hypotheses one and four will be tested using Chi-square at 4 degrees of freedom.

3.10   DECISION RULE

For hypotheses one and four, we shall reject Ho if the calculated chi-square is greater than the value of chi-square read from the table. Do not reject Ho if otherwise.

For hypotheses two, three and five, reject Ho if the calculated value of **t** is greater than or less than the value of **t** read from the table. Do not reject Ho if otherwise.

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CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1   INTRODUCTION

In this chapter, the data collected for this work were statistically presented and analyzed based on the objectives of the study drawn from the corresponding research questions and hypotheses that guided the study. Consequent upon this, a total of five hundred and eight (508) questionnaires were distributed to the prospective respondents in the five organizations chosen for this study (i.e. NBL Plc Enugu, PZ Industries Plc Ebonyi, Chuks Brothers Nigeria Plc Abia, Juhel Nigeria Plc Anambra and Unilever Nigeria Imo). Out of this number, 487 were appropriately filled while the remaining 21 were found to be defective due to poor and wrong filling of the affected questionnaires. It represents 4.133% or 4% of the sample population. These were disregarded in the analysis. Therefore the effective sample size is now 487 respondents.

4.2   QUESTIONNAIRE PRESENTATION AND ANALYSIS

The following questionnaires to be treated were derived from a positively correlated objective of the study with the research questions that guided the study in which the instrumentality of the five point Likert scale were used for analytical diagnosis. Herewith is the tabular presentation.

N/B: A = Agree, SA = Strongly Agree, D = Disagree, SD = Strongly Disagree, U = Undecided, STD .D = Standard Deviation, N = Number, x = Meān, Rem = Remarks. The numbers in parenthesis is percentage frequencies: At an established 5 point likert scale mean value of 3.0, any factor or variable with a mean of 3.0 or above will be accepted or otherwise will be rejected.

Table 4.1: The extent to which organizational culture enhance organizational commitment to performance.

1.	**Obj. 1:** To ascertain the extent to which organization culture enhances organizational performance	A 5	SA 4	D 3	SD 2	U 1	N	X̄	STD.D	REM
a.	The determinants of organizational culture like empowerment has direct bearing on organizational performance	183 (37.6%)	224 (45.9%)	30 (6.2%)	38 (7.8%)	12 (2.5%)	487	3.91	0.91	Accept
b.	Consistent performance is dependent on truly motivated workforce.	113 (23.2%)	200 (41.1%)	72 (14.8%)	97 (19.9%)	5 (1.0%)	487	3.65	1.07	Accept
c.	The positive forces inside the manager enhances performance	112 (22.9%)	157 (32.2%)	98 (20.1%)	100 (20.5%)	20 (4.1%)	487	3.49	1.16	Accept
d.	Consistent organizational compliance with new technologies enhances performance	120 (24.6%)	142 (29.1%)	91 (18.6%)	100 (20.5%)	34 (6.9%)	487	3.43	1.25	Accept
e.	The commitment relationship amongst the different departments towards the goals and objectives of the organization enhances sustained performance	102 (20.9%)	201 (41.2%)	77 (15.8%)	101 (20.7%)	6 (1.2%)	487	3.59	1.09	Accept

From table 4.1, the least standard deviation of 0.91 is ranked first, followed by 1.07, 1.09, 1.16 and lastly 1.25. This shows the weight of respondents' opinion. In questionnaire item (a), with a mean (x) value of 3.91, 224 respondents representing 45.9% strongly agree with the position that "the determinants of organizational culture has direct bearing on organizational performance" while 38respondets or 7.8% strongly disagree with the position. 183 respondents (37.6%) also

agree with the position and 30 respondents or 6.2% disagree with the position. 12 respondents or 2.5% remained undecided.

At a mean value of 3.65, the questionnaire item number (b) is accepted hence 3.65 > 3.0. Out of a population of 487, 113 respondents (23.2%) inclined to the assertion while 200 respondents also strongly agree to the stand point that consistent performance is dependent on truly motivated work force. 72 respondents or 14.8% and 97 respondents (19.9%) each disagree and strongly disagree respectively. 5 persons or respondents or 1% chose to remain indifferent in supplying their own views.

The distributions pattern in questionnaire item number (c) shows that 32.2% or 157 respondents strongly agree to the notion that the positive forces inside the manager, inside the subordinates and in the environment enhances performance while 112 respondents (22.9%) also agree to that position. 98 (20.1%) and 100 (20.5%) respondents respectively disagree and strongly disagree to this position while 20 respondents (4.1%) have no indication. At a mean value of 3.49 and established mean value of 3.0, this position is upheld.

Indications in questionnaire item (d) shows that 120(24.6%) and 142 (29.1%) respondents respectively agree and strongly disagree with the assertion that consistent organizational compliant with new technologies enhances performance. In the contrary 91(18.6%) and 100 (20.5%) respondents respectively disagree and strongly disagree with the assertion while 34 respondents or 6.9% did not have any indication. This assertion is upheld at a mean value of 3.43 and established mean value of 3.0. Respondents opinion in questionnaire item number (e) reveal that 102 respondents (20.9%) and 201 respondents (41.2%) respectively agree and strongly agree that the commitment synergy amongst the different departments towards the goals and objectives

of the organization enhances sustained performance. In the opposite view, 77 respondents or 15.8% and 101 respondents or 20.7% respectively disagree and strongly disagree with the above assertion while 6 respondents or 1.2% remained indifferent on the issue. This assertion was accepted based on the mean value of 3.59 and established 5-point Likert mean value of 3.0.

Table 4.2: Consistency of employee attitude towards organizational performance

	Obj. 2: To examine whether organizational culture promotes the consistency of employment attitude towards organizational performance managers	**A 5**	**SA 4**	**D 3**	**SD 2**	**U 1**	**N**	**X̄**	**STD.D**	**REM**
a.	Founders/ managers hire and keep only employees who think and feel the same way they do on their vision.	98 (20.12%)	102 (20.9%)	150 (30.8%)	111 (22.7%)	26 (5.3%)	487	3.27	1.07	Accept
b.	Founders/ managers indoctrinate and socialize these employees to their way of thinking and feeling towards performance managers.	223 (45.7%)	97 (19.9%)	85 (17.4%)	82 (16.8%)	0 (0%)	487	3.94	1.14	Accept
c.	Founders/ managers induced behaviour acts a role model that encourages employees to identify with them and thereby internalize their beliefs, values and assumptions towards performance.	190 (39.0%)	110 (22.5%)	93 (19.0%)	87 (17.8%)	7 (1.4%)	487	3.79	1.17	Accept
d.	Empowering, motivating and rewarding employees to do their best promotes high productivity.	112 (22.9%)	130 (26.6%)	140 (28.7%)	105 (21.5%)	0 (0%)	487	3.51	1.06	Accept
e.	Maximizing the potentials of individual employees and terms to benefit them and the organization should be made a sustainable paradigm/standard.	113 (23.9%)	197 (40.4%)	90 (18.4%)	85 (17.4%)	2 (0.4%)	487	3.68	1.01	Accept

The distribution of figures in table 4.2, shows that the respondents responses is much felt in questionnaire item number (e) which were based on the ranking of the standard deviation in the foregoing order 1.01, 1.06, 1.17, 1.14 and lastly 1.07.

Evidence in table 4.2 reveals that 98 respondents representing 20.12% of the population agreed to the fact that founders hire and keep only employees who think and feel the same way they do while 102 respondents or 20.9% strongly ascribe to the same fact. In the contrary, 150 (30.8%) and 111 (22.7%) respondents respectively disagree and strongly disagree with the view point. The number that remained undecided is 26 respondents or 5.3%.

In another development, 223 respondents (45.7%) and 99 respondents (19.9%) respectively agree and strongly agree to the notion which says that founders indoctrinate and socialize these employees to their way of thinking and feeling. In a sharp deviation from this assertion, 85 respondents or 17.4% and 82 respondents or 16.8% disagreed and strongly disagreed to the above assertion respectively.

In yet another scenario, 190 out of 487 respondents representing 39% agreed to the position that founders induced behaviour acts a role model that encourages employees to identify with them and thereby internalize their beliefs, values and assumptions. 110 or 22.5% of the population strongly agree to the same assertion. In a contrary view, 93 (19%) and 87 (17.8%) of the respondents opined against the above assertion respectively in the action of disagree and strongly disagree positions. However, 7 respondents or 1.4% have no opinion. Empowering, motivating and rewarding employees to do their best promotes high productivity in the notion agreed and

strongly agreed by 112 respondents or 22.9% and 130 respondents or 26.6% respectively. While 140 or 28.7% and 105 or 21.5% of the respondents disagreed and strongly disagreed to this assertion respectively, nobody refused to indicate.

Indications in the table 4.2 show that 113 or 23.9% and 197 or 40.4% of the respondents agreed and strongly agreed respectively that maximizing the potentials of individual employees and teams to benefit them and the organization should be made a sustainable paradigm. In a contrary view, 90 (18.4%) and 85 (17.4%) respondents disagreed and strongly disagreed to this opinion while 2 respondents or 0.4% remained indifferent in making any opinion.

Table 4.3: The extent of used of organizational culture to reduce ambiguity for effective performance

	Obj.3: To examine the extent organizational culture could be used to reduce ambiguity for effective performance in organization	A 5	SA 4	D 3	SD 2	U 1	N	X̄	STD.D	REM
a.	When the employees of a social unit share values, an organizational culture or value system can be said to exist which promotes performance?	76 (15.60%)	106 (21.76%)	98 (20.12%)	202 (41.47%)	5 (1.02%)	487	3.09	1.13	Accept
b.	The manager's ability to harmonize employees from different cultural backgrounds into the organizational goals and objectives reduces ambiguity for effective performance.	58 (11.90%)	70 (14.37%)	150 (30.80%)	195 (40.04%)	14 (2.87%)	487	2.92	1.06	Accept
c.	Organizational culture that does restricts employment to certain categories of people,	99	111	140	137	0	487	3.35	1.09	Accept

	gender and religion aims to reduce ambiguity for effective performance	(20.32%)	(22.79%)	(28.74%)	(28.13%)	(0%)				
d.	Organizational culture could be used to reduce local content factor like absenteeism for effective performance	122 (25.05%)	188 (38.60%)	57 (11.70%)	100 (20.57%)	20 (4.1%)	487	3.59	1.18	Accept

Making deductions from table 4.3, the standard deviations are ranked in the following order – 1.06, 1.09, 1.13, and 1.18 which suggests that the weight of respondent's opinion is felt more in questionnaire item (b). Evidence above indicate that 76 (15.6%) and 106 (21.76%) agree and strongly agree respectively to the fact that when the employees of a social unit share values, an organizational culture or value system can be said to exist which promotes performance.

It will also be deduced that 98 (20.12%) and 202 (41.47%) disagreed and strongly disagreed to the above assertion respectively while 5 respondents or 1.02% had no indications at all. In another circumstance, the display of the respondents' opinion in the table posits that 58 respondents or 11.9% and 70 respondents or 14.37% respectively agree and strongly disagree to the opinion that the manager's ability to harmonize employees from different cultural backgrounds into the organizational goals and objectives reduces ambiguity for effective performance. The inclination of 150 (30.8%) respondents and 195 (40.04%) respondents are disagreed and strongly disagreed respectively while 14 respondents or 2.87% of the population had no opinions.

The respondent's opinion over the notion that organizational culture that restricts employment to certain categories of people, gender and religion aims to reduce ambiguity for effective performance is not particularly lopsided. It will be inferred from table 4.3 shows that 99

respondents representing 20.32% and 111 respondents representing 22.79% respectively agree and strongly agree with the above notion. Contrary to this line of opinions 140 (28.74%) and 137 (28.13%) respectively disagree and strongly disagree with the aforementioned position of opinions. There is no undecided person in this issue.

In questionnaire item (d) which states that organizational culture could be used to reduce local content factor for effective performance, the distribution of respondent's opinion in the table shows that 122 respondents or 25.05% and 188 respondents or 38.60% agreed and strongly agreed respectively to the assertion of questionnaire item (d). But the opinions of 57 respondents or 11.70% and 100 respondents or 20.57% are in the contrary which indicates disagree and strongly disagree respectively. A total of 20 respondents representing 4.1% of the sample population had no indications.

Table 4.4: The extent of core organizational culture leadership performance enhancement

	Obj.4: To determine to what extent core organizational cultures enhance leadership performance of the organization	**A** **5**	**SA** **4**	**D** **3**	**SD** **2**	**U** **1**	**N**	**X̄**	**STD.** **D**	**REM**
a.	Organizational culture and leadership are linked because performance of an organization is dependent on the conscious alignment of employee values with espoused values (strategies, goals, philosophies) of the company.	39 (8%)	90 (18.48%)	171 (35.11%)	187 (38.39%)	0 (0%)	487	2.96	0.93	Accept
b.	Transactional leaders tend to operate within the confines and limit of the existing culture while transformational (i.e. charismatic) leaders	75 (15.4%)	113 (23.2%)	107 (21.97%)	190 (39.01%)	2 (0.41%)	487	3.14	1.1	Accept

	frequently work towards changing the organizational culture in line with their visions.									
c.	Good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance	130 (26.69%)	201 (41.27%)	101 (20.73%)	50 (10.26%)	5 (1.02%)	487	3.82	0.96	Accept
d.	Most effective leaders foster, support and sustain organizational culture that facilitate the type of management reform envisioned which increases effectiveness and efficiency	130 (26.69%)	110 (22.58%)	134 (27.51%)	106 (21.76%)	7 (1.43%)	487	3.51	0.84	Accept
e.	The style of a leader affects performance	73 (14.98%)	207 (42.5%)	98 (20.12%)	100 (20.53%)	9 (1.84%)	487	3.48	1.03	Accept
f.	Certain types of culture are linked to superior performance	109 (22.38%)	123 (25.25%)	99 (20.32%)	140 (28.74%)	16 (3.28%)	487	3.34	1.2	Accept

In table 4.4 the rate of respondent's responses is weighted and found to yield a standard deviation of 0.93. From the table, the display of the respondent's opinion show that 39(8%) and 90(18.48%) respondents indicated agree and strongly agree respectively. While 171 (35.11%) and 187 (38.39%) of the respondents indicated disagree and strongly disagree respectively to the notion that organizational culture and leadership are linked because performance of an organization is dependent on the conscious alignment of the company strategy.

With the decision to accept the notion which says that transactional leaders tend to operate within the confines and limit of the existing culture while transformational (i.e. charismatic) leaders frequently work towards changing the organizational culture in line with their visions is evidenced from the table where 75 respondents or 15.4% and 113 respondents or 23.2% agreed and strongly agreed respectively to this assertion while in the divergent view 107 or 21.97% and

190 or 39.01% of the respondents disagree and strongly disagree respectively to the above assertion. Only 2 respondents or 0.41% had no opinion.

In another contribution, 130 (26.69%) respondents and 201 (41.27%) respondents respectively agree and strongly agree to the position that good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance. Opposing this view are 101 (20.73%) respondents and 50 (10.26%) respondents who disagreed and strongly disagreed to this questionnaire item (c) 1.02% or 5 respondents had no responses. The assertion that most effective leaders foster support and sustain organizational culture that facilitate the type of management reform envisioned by re-inventing governance and the attendant increases in effectiveness and efficiency is subscribed to by 130 (26.69%) respondents and 110 (22.58%) respondents who respectively agreed and strongly agreed to the above assertion while 27.51% or 134 respondents and 21.76% or 106 respondents disagreed and strongly disagreed respectively to the above assertion. 7 (1.43%) respondents indicated nothing.

The decision to accept the notion that the style of a leader affects performance is indicated in the table where 73 respondents or 14.98% and 207 respondents or 42.5% agreed and strongly agreed respectively to this opinion while 98 (20.12%) respondents and 100 (20.53) respondents disagreed and strongly disagreed respectively to the above assertion. 9 (1.84%) respondents had no opinion.

Furthermore, 109 (22.38%) and 123 (25.25%) of the respondents agreed and strongly agreed respectively to the fact that certain types of culture are linked to superior performance while 99 (20.32%) and 140 (28.74%) disagreed and strongly disagreed respectively to the above assertion. 16 respondents or 3.28% had no indication.

Table 4.5: The extent to which organizational culture could be used to achieve organizational diversity for effective performance

	Obj.5: To determine the extent to which organizational culture could be used to achieve organizational diversity for effective performance.	**A** **5**	**SA** **4**	**D** **3**	**SD** **2**	**U** **1**	**N**	**X̄**	**STD.D**	**REM**
a.	The organizational culture to change with the changing business climate in the environment makes for effective industrial performance	107 (21.97%)	193 (39.63%)	74 (15.19%)	87 (17.86%)	26 (5.33%)	487	3.55	1.16	Accept
b.	Being dynamic with the supra technological development enhances organizational performance	97 (19.91%)	100 (20.53%)	133 (27.31%)	152 (31.21%)	5 (1.02%)	487	3.27	1.13	Accept
c.	To change with the current market demands encourages performance	176 (36.13%)	194 (39.83%)	30 (6.16%)	87 (17.86%)	0 (0%)	487	3.94	1.06	Accept
d.	The culture of diversification creates room to acquire new firms	36 (7.39%)	91 (18.68%)	170 (34.9%)	186 (38.19%)	4 (0.82%)	487	2.93	1.37	Accept
e.	The culture to diversify can create room to outsource parts of business for more economic advantage	120 (24.64%)	127 (26.07%)	119 (24.43%)	121 (24.84%)	0 (0%)	487	3.50	1.11	Accept

The decision to accept questionnaire item (a) of table 4.5 is based on the outcome of the respondent's opinion in which 107 respondents or 21.97% and 193 respondents or 39.63% agree and strongly agree respectively to the assertion that the organizational culture to change with the changing business climate in the environment makes for effective industrial performance. In the contrary, 74 respondents or 15.19% and 87 respondents or 17.86% disagree and strongly disagree respectively to the same assertion. 26 respondents or 5.33% remained indifferent.

Being dynamic with the supra technological development enhances organizational performance is the view held by 97 (19.91%) respondents in the position of agreed while 100 (20.53%) respondents in a follow up strongly agreed. The position of 133 (27.31%) respondents and 152 (31.21%) respondents is that of disagree and strongly disagree respectively. 5 (1.02%) respondents had no contributory opinion.

In another development, 176 respondents or 36.13% and 194 (39.83%) respondents respectively agree and strongly agree to the notion that to change with the current market demands encourages performance. Contrary to that is the view held by 30 (6.16%) respondents and 87(17.86%) respondents in which they respectively disagree and strongly disagree to the above notion.

It will be inferred from table 4.5 that 36 respondents representing 7.39% and 91 respondents representing 18.68% agree and strongly agree respectively to the fact that the culture of diversification creates room to acquire new firms. In the contrary opinion suggesting disagree and strongly disagree respectively are the views of 170 (34.9%) respondents and 186 (38.195) respondents who objects to the above assertion. 4 respondents or 0.82% had no indication.

Furthermore, the decision to accept the assertion that the culture to diversify can create room to outsource parts of business for more economic advantage is shared by 120 respondents or 24.64% and 127 respondents or 26.07% who subscribed to such opinion in the position of agreed and strongly agreed respectively. Opposed to this view are the contributions of 119 respondents (24.43%) and 121 respondents (24.84%) who disagreed and strongly disagreed respectively to the above assertion.

4.3   HYPOTHESES TESTING

In furtherance to this work, the five hypotheses which were formulated in chapter one will be tested here in the following ways. Hypotheses one and four will be tested using chi-square (x^2). Chi-square is most ideal where the researcher's data are in the form of frequency counts. Hypotheses two, three and five will be tested through the instrumentality of Pearson Product Moment Correlation Coefficient. This tool was adopted because it is the most sensitive measure of correlation for situation in which it applies.

4.4   TEST OF HYPOTHESIS ONE

H0:   Organizational culture does not significantly enhance organizational commitment to performance.

H1:   Organizational culture significantly enhances organizational commitment to performance.

To test this hypothesis, the corresponding or related research question will be recalled to execute this exercise. The hypothesis shall be tested at 0.05 level of significance. The contingency table of the chi-square is as shown below.

Research question: To what extent does organizational culture enhances organizational commitment to performance?

Table 4.6: 2 x 5 contingency table of the extent of the enhancement of organizational culture over organizational commitment to performance?

S/N	OPTIONS	JUNIOR STAFF	SENIOR STAFF	TOTAL
1.	Highly	53	77	130
2.	Very highly	70	73	143
3.	Lowly	91	18	109

4.	Very lowly	67	17	84
5.	Indifferent	20	1	21
	Total	**301**	**186**	**487**

Table 4.6.1

2nd contingency table of table 4.6

S/N	OPTIONS	JUNIOR STAFF	SENIOR STAFF	TOTAL
1.	Highly	fa = 53 fe = 80	fa = 77 fe = 29	130
2.	Very highly	fa = 70 fe = 88	fa = 73 fe = 55	143
3.	Lowly	fa = 91 fe = 67	fa = 18 fe = 42	109
4.	Very lowly	fa = 67 fe =52	fa = 17 fe = 32	84
5.	Indifferent	fa = 20 fe = 13	fa = 1 fe = 8	21
	Total	**301**	**186**	**487**

N/B: fa = Observed frequency

fe = Expected frequency

Expected frequency = $\dfrac{\text{Row total x column total}}{\text{Total No.}}$

Fe = $\dfrac{130 \times 301}{487}$ = 80   Fe = $\dfrac{77 \times 186}{487}$ = 29

Fe = $\dfrac{143 \times 301}{487}$ = 88   Fe = $\dfrac{143 \times 186}{487}$ = 55

Fe = $\dfrac{109 \times 301}{487}$ = 67   Fe = $\dfrac{109 \times 186}{487}$ = 42

Fe = $\dfrac{84 \times 301}{487}$ = 52   Fe = $\dfrac{84 \times 186}{487}$ = 32

Fe $=$ $\dfrac{21 \times 301}{487}$ $=$ 13   Fe $=$ $\dfrac{21 \times 186}{487}$ $=$ 8

Table 4.6.2

3rd table of table 4.6 for chi-square determination

Fa	Fe	Fa –Fe	$(Fa\text{-}Fe)^2$	$\dfrac{(Fa - Fe)^2}{Fe}$
53	80	- 27	729	9.11
77	29	48	2304	79.44
70	88	- 18	324	3.68
73	55	18	324	5.89
91	67	24	576	8.59
18	42	- 24	576	13.71
67	52	15	225	4.32
17	32	- 15	225	7.03
20	13	7	49	3.76
1	8	- 7	49	6.12
				$\Sigma = 141.65$

$\therefore X^2 = 141.65 = \quad 142$

Degree of freedom (DF) $=$ No. Row -1 $\quad$ x $\quad$ No. of Col. – 1

$\qquad\qquad\qquad\qquad = \quad$ (5-1) $\qquad$ x $\qquad$ (2-1)

$\qquad\qquad\qquad\qquad = \quad$ 4 $\qquad\qquad$ x $\quad$ 1 $\quad = \quad$ **4**

Sig. Level $= 0.05$

The table value or critical value at 5% significant level and (DF) of 4 = 9.488

Decision Rule:

1.   Reject H0 if x^2 calculated is greater than the table value of the chi-square

2.   Otherwise accept H0.

Conclusion: X^2 calculated $= 142$

$$X^2 \ (.05,4) \quad = \quad 9.488$$

∴ H0 is rejected since 142 > 9.488 showing that the alternative hypothesis is upheld. This means that organizational culture significantly enhances organizational commitment to performance.

9.48   142 X^2

Accept   Reject
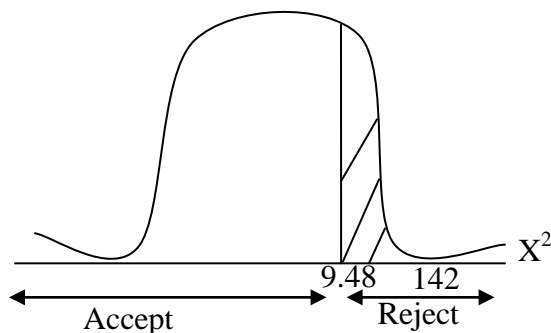
4.5   TEST OF HYPOTHESIS TWO

H0:   There is no significant relationship between organizational culture and employee attitude towards organizational performance.

H1:   There is significant relationship between organizational culture and employee attitude towards organizational performance.

To test this hypothesis, the Karl Pearson Product Moment Correlation Coefficient is applied hence it is a parametric test and is the most sensitive measure of correlation for situation in which it applies. The raw score formular for computing the Pearson Product Moment Correlation Coefficient (r) is given by:

$$r = \frac{N\Sigma XY - \Sigma X \Sigma Y}{\sqrt{\left[N\Sigma X^2 - (\Sigma X)^2\right]\left[N\Sigma y^2 - (\Sigma y)^2\right]}}$$

The above hypothesis will be tested at 0.05 level of significance.

Where N   =   Number of cases

       X   =   Variable factor x in the population

       Y   =   Variable factor y in the population

Table 4.7: Computation of the Pearson 'r' using the raw score method

OPTIONS	JUNIOR STAFF (X)	SENIOR STAFF (Y)	X^2	Y^2	XY
High	49	38	2401	1444	1862
Very high	61	52	3721	2704	3172
Exceedingly high	67	59	4489	3481	3953
Low	47	34	2209	1156	1598
Very low	30	12	900	144	360
Exceedingly low	32	6	1024	36	192
Total	**Σ = 286**	**Σ = 201**	**Σ = 14744**	**Σ = 8965**	**Σ = 11143**

The value of the variables in the formular are herewith determined.

N $\quad = \quad$ 6

$\Sigma X^2 \quad = \quad$ 286

$\Sigma Y \quad = \quad$ 201

$\Sigma X \quad = \quad$ 14744

$\Sigma Y^2 \quad = \quad$ 8965

$\Sigma XY \quad = \quad$ 11143

By substitution

$$r = \frac{6 \times 11143 - 286 \times 201}{\sqrt{\left[6 \times 14744 - (286)^2\right]\left[6 \times 8965 - (201)^2\right]}}$$

$$r = \frac{66858 - 57486}{\sqrt{\left[88464 - 81796\right]\left[53790 - 40401\right]}}$$

$$r = \frac{9372}{\sqrt{89277852}}$$

r   = $\sqrt{\dfrac{944869}{9372}}$

r   =   0.99 (This value implies a very strong position relationship between the two variables, x and y).

The Correlation Coefficient 'r' is 0.99. To test for the hypothesis, the table value of the Pearson Product Moment Correlation Coefficient will be determined at 5% significant level and at N-2 degree of freedom (DF) in which N = 6; DF is therefore 6 – 2 = 4.

The table value at 0.05 significant level and (DF) of 4 = 0.3215

Decision: The computed r (0.99) is greater than the critical value of 0.3215 at 4 degree of freedom and 0.05 significant level.

There is every reason to reject the Null hypothesis and accept the Alternate hypothesis based on the comparison of the values generated in which the null hypothesis states that there is no significant relationship between organizational culture and employee attitude towards organizational performance.

Accept
region
Area =
1 - ∝
= 95%

Z

-0.3215

+0.3215

Reject

Reject
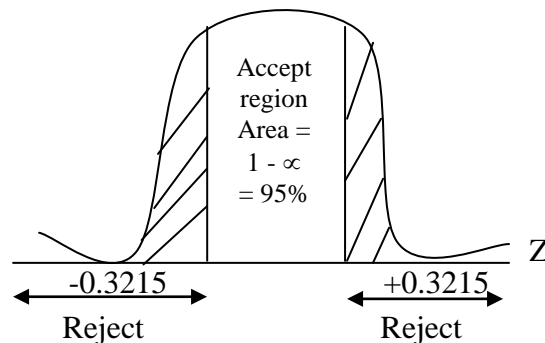
4.6: TEST OF HYPOTHESIS THREE

H0:   There is no significant relationship between organizational culture and reduction of ambiguity for effective performance in organizations.

H1:   There is significant relationship between organizational culture and reduction of ambiguity for effective performance in organizations.

The Pearson Product Moment Correlation Coefficient is applied to test this hypothesis at 5% level of significance. The formular for computing the Pearson Product Moment is thus:

$$r = \sqrt{\frac{\left[N\Sigma X^2 - (\Sigma X)^2\right]\left[N\Sigma Y^2 - (\Sigma Y)^2\right]}{N\Sigma XY - \Sigma X\Sigma Y}}$$

Where N   =   No. of cases

     X   =   Variable factor x in the population

     Y   =   Variable factor y in the population

Table 4.8: Computation of the Pearson 'r' using the raw score method

OPTIONS	JUNIOR STAFF (X)	SENIOR STAFF (Y)	X^2	Y^2	XY
High	41	30	1681	900	1230
Very high	53	35	2809	1225	1855
Exceedingly high	58	40	3364	1600	2320
Low	63	45	3969	2025	2835
Very low	37	39	1369	1521	1443
Exceedingly low	25	21	625	441	525
Total	**Σ = 277**	**Σ = 210**	**Σ = 13817**	**Σ = 7712**	**Σ = 10208**

The value of the computed variables are:

ΣX = 277

ΣY = 210

ΣX^2 = 13817

ΣY^2 = 7712

ΣXY = 10208

N = 6

Substituting these values in the formular

$$r = \frac{6 \times 10208 - 277 \times 210}{\sqrt{\left[6 \times 13817 - (277)^2\right]\left[6 \times 7712 - (210)^2\right]}}$$

$$r = \frac{61248 - 58170}{\sqrt{\left[82902 - 76729\right]\left[46272 - 44100\right]}}$$

$$r = \frac{3078}{\sqrt{(6173)(2172)}}$$

$$r = \frac{3078}{\sqrt{13407756}}$$

$$r = \frac{3078}{3661.66}$$

$$r = 0.8406$$

This result indicates that there is a positive correlation between the two measuring variables, x and y.

To test for the hypothesis, the Pearson Product Moment Correlation table at 5% significant level and N-2 degree of freedom will be used in which N = 6 and degree of freedom (DF) is therefore

6 -2 = 4

The critical value or table value at 5% significant level and 4 (DF) is = 0.3215. This is a two tailed test hence the rejection of the null hypothesis with regard to the fact that the computed value (r = 0.8406) is greater than the table value 0.3215.

Decision: Since r – cal (0.8406) > r – critical (0.3215) at 4 degree of freedom and 0,05 level of significance incorporating two tailed test, there is every reason to reject the Null hypothesis which states that there is no significant relationship between organizational culture and reduction of ambiguity for effective performance in organizations. The Alternate hypothesis is hereby accepted which states that there is significant relationship between organizational culture and reduction of ambiguity for effective performance in organizations.

Diagrammatically, the regions of the acceptance and rejection under the normal distribution curve for two tailed test is given below:

Accept region Area = 1 - $\propto$ = 95%

-0.3215
Rejection

+0.3215
Rejection
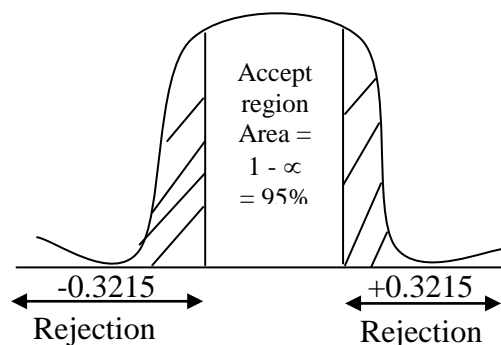
4.7   TEST OF HYPOTHESIS FOUR

H0:   Core organizational culture does not significantly enhance leadership performance of the

organization.

H1:   Core organizational culture significantly enhances leadership performance of the

organization.

The chi-square statistic will be applied to test this hypothesis wherein a positively correlated

research question as stated in chapter one will be used to arrive at a logical conclusion.

Research question: To what extent does core organizational culture enhance leadership

performance of the organization?

Table 4.9: Enhancement rating of core organizational culture over leadership performance

of the organizations

S/N	OPTIONS	JUNIOR STAFF	SENIOR STAFF	TOTAL
1.	Highly	41	80	121
2.	Very highly	78	101	179
3.	Lowly	51	36	87
4.	Very lowly	63	30	93
5.	Indifferent	5	2	7
	Total	**238**	**249**	**487**

This hypothesis shall be tested at 0.05 level of significance. The contingency table of the chi-

square is as shown in table 4.9.1 below. The figures in parenthesis will be the expected

frequencies while the others are the observed frequencies i.e. the actual frequencies as collected.

Table 4.9: 1A 2 x 5 contingency table of the enhancement level of core organizational culture over leadership performance of the organizations

Respondents	Highly	Very highly	lowly	Very lowly	Indifferent	Row Totals
Junior staff	41(59)	78(87)	51(45)	63(46)	5(3)	238
Senior staff	80(45)	101(92)	36(45)	30(48)	2(4)	249
Column Totals	**121**	**179**	**87**	**93**	**7**	**487**

The computation of the expected frequencies (e) is as follows:

e   = $\dfrac{\text{Row total x Column total}}{\text{Total number}}$

e   = $\dfrac{238 \times 121}{487}$ = 59 $\dfrac{238 \times 179}{487}$ = 87

         $\dfrac{238 \times 87}{487}$ = 45 $\dfrac{238 \times 93}{487}$ = 46

         $\dfrac{238 \times 7}{487}$ = 3 $\dfrac{249 \times 121}{487}$ = 45

         $\dfrac{249 \times 179}{487}$ = 92 $\dfrac{249 \times 87}{487}$ = 45

         $\dfrac{249 \times 93}{487}$ = 48 $\dfrac{249 \times 7}{487}$ = 4

In the calculation of the chi-square (x^2)

X^2 = $\dfrac{\Sigma_i\ (oi - ei)}{ei}$

Where   Oi   =   Observed cases or frequencies

         ei   =   Expected cases or frequencies

         Σ_i =   Summation of all items to i terms

X^2 = $\dfrac{(41 - 59)^2}{59}$ + $\dfrac{(78 - 87)^2}{87}$ + $\dfrac{(51 - 45)^2}{45}$

$$\frac{(63-46)^2}{46} \quad + \quad \frac{(5-3)^2}{3} \quad + \quad \frac{(80-45)^2}{45}$$

$$\frac{(101-92)^2}{92} \quad + \quad \frac{(36-45)^2}{45} \quad + \frac{(30-48)^2}{48} \quad + \quad \frac{(2-4)^2}{4}$$

$X^2 \quad = \quad 5.49 + 0.93 + 0.8 + 6.28 + 1.33 + 27.22 + 0.88 + 1.8 + 6.75 + 1$

$X^2 \quad = \quad 52.48 = 53$

The chi-square (X^2) computed is 53.

This result will lead to either to reject or accept the null hypothesis vis-à-vis the table value of the chi-square.

To determine the table value, the degree of freedom

(DF) = No. of Rows – 1) (No. of column)

$$= \quad (2-1)(5-1)$$
$$\quad\quad (1) \quad (4) \quad\quad = \quad 4$$

∴. DF $\quad = \quad$ **4**

Significance level $= \quad 0.05$

Table value at 4(df) and 0,05 sig. level = 9.488

Decision Rule

1. Reject H0 if X^2 calculated is greater than the table value of the chi-square

2. Otherwise accept H0.

Conclusion: X^2 calculated = 53

$\quad\quad\quad\quad\quad X^2\,(0.05, 4) = 9.488$

∴ H0 is rejected since 53 > 9.488 implying that the alternative hypothesis (HA) is upheld which holds that organizational culture significantly enhance leadership performance of the organizations.

9.488   53

Accept region   Reject region
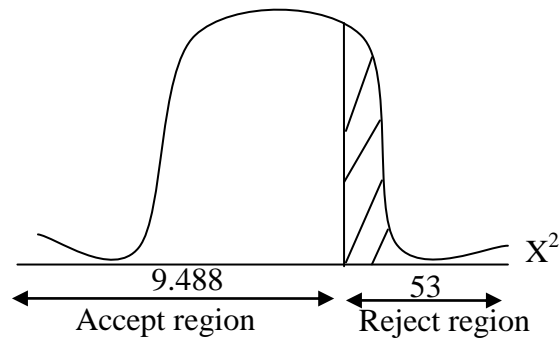
4.8   TEST OF HYPOTHESIS FIVE

H0:   There is no significant relationship between organizational culture and achieving organizational diversity for effective performance

H1:   There is significant relationship between organizational culture and achieving organizational diversity for effective performance

The statistical tool to adopt in treating this hypothesis is the Pearson Product Moment Correlation Coefficient 'r' and it will be tested at 5% level of significance. The formular for the computation of the Pearson Product Moment Correlation Coefficient is thus:

$$r = \frac{N\Sigma XY - \Sigma X\Sigma Y}{\sqrt{\left[N\Sigma X^2 - (\Sigma X)^2\right]\left[N\Sigma Y^2 - (\Sigma Y)^2\right]}}$$

Where N   =   No. of cases

X   =   Variable factor x in the population

Y   =   Variable factor y in the population

Table 4.10: Computation of the Pearson 'r' using the raw score method

OPTIONS	JUNIOR STAFF (X)	SENIOR STAFF (Y)	X^2	Y^2	XY
High	40	30	1600	900	1200
Very high	47	33	2209	1089	1551
Exceedingly high	54	39	2916	1521	2106
Low	53	49	2809	2401	2597
Very low	51	36	2601	1296	1836
Exceedingly low	37	18	1369	324	666
Total	**Σ = 282**	**Σ = 205**	**Σ = 13504**	**Σ = 7531**	**Σ = 9956**

The value of the computed variables are:

$\Sigma X \quad = \quad 282$

$\Sigma Y \quad = \quad 205$

$\Sigma X^2 \quad = \quad 13504$

$\Sigma Y^2 \quad = \quad 7531$

$\Sigma XY \quad = \quad 9956$

$N \quad = \quad 6$

In putting the determined values in the formular

$$r = \frac{6 \times 9956 - 282 \times 205}{\sqrt{\left[6 \times 13504 - (282)^2\right]\left[6 \times 7531 - (205)^2\right]}}$$

$$r = \frac{59736 - 57810}{\sqrt{\left[81024 - 79524\right]\left[45186 - 42025\right]}}$$

$$r = \frac{1926}{\sqrt{(1500)(3161)}}$$

$$r = \sqrt{\frac{4741500}{1926}}$$

$$r = \frac{1926}{2177.49}$$

$$r = 0.884$$

The value r = 0.884 shows that there is a positive correlation or relationship between the x variable and y variable.

To test for this hypothesis, the table value of the Pearson Product Moment Correlation Coefficient will be determined at 5% significant level and at N-2 degree of freedom (DF) in which N = 6; (DF) is therefore 6-2 =4. The table value at 0.05 significant level and (DF) of 4 = 0.3215.

Decision Rule: The computed r (0.884) is greater than the critical value of 0.3215 at 4 degree of freedom and 0.05 significant level. This is a two tailed test and there is every reason to reject the null hypothesis which states that there is no significant relationship between organizational culture and achieving organizational diversity for effective performance and accept the alternate hypothesis which states that there is significant relationship between organizational culture and achieving organizational diversity for effective performance.

Accept
Area =
1 - ∝
= 95%

-0.3125
Reject

+0.3215
Reject
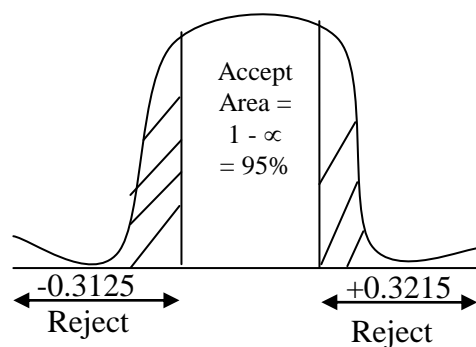
4.9   MAJOR FINDINGS

The following findings were made spilling from the analytical and statistical investigations conducted:

1.   Indications from analysis accept the fact that organizational cultureenhance organizational commitment to performance. This is strongly manifested in the belief that consistent organizational compliance with new technologies enhance performance.

2.   The need to ascertain whether organizational culture promotes the consistency of employee attitude towards organizational performance was proved right based on the various parameters used which were supportive especially that founders hire and keep only employees who think and feel the same way they do.

3.   It was found that organizational culture could be used to reduce ambiguity for effective performance in organizations through the assessment of different functional variables which subscribed to the fact of investigation with particular emphasis that the manager's ability to harmonize employees from different cultural backgrounds into organizational goals and objectives reduces ambiguity for effective performance.

4.   Field investigations and analysis suggests that core organizational culture enhance leadership performance of the organizations which were majorly highlighted that good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance.

5.   As one of the points of assessment, the assertion that the culture of diversification creates room to acquire new firms was not in doubt as analytical result of the least standard deviation of 9.63 above others, posits that organizational culture could be used to achieve organizational diversity for effective performance.

6.   Statistical result of x^2 calculated = 142 and table value (.05,4) = 9.488 upheld the fact that organizational culture significantly enhance organizational commitment to performance.

7.   Based on the fact that computed (0.99) > t – critical (0.3215) at (.05,4) the formulation that there is significant relationship between organizational culture and employee attitude towards organizational performance is upheld.

8.   The r-calculated is 0.8406 while the t – critical (0.05,4) is 0.3125 at two tailed test posits that there is significant relationship between organizational culture and the reduction of ambiguity for effective performance in organizations hence r-cal (0.8406) > t-critical (0.3125).

9.   Since X^2 – calculated > t-critical i.e. (X^2 = 53 > critical value of 9.488) the proposition that organizational culture significantly enhance leadership performance of the organizations was upheld.

10.   Statistically tested and accepted, there is a significant relationship between organizational culture and achieving organizational diversity for effective performance hence r-cal (0.884) > t-critical (0.3125) at (.05,4).

The link between organizational culture and performance has a relatively long tradition in the field of organizational studies (Wilderon, Glunk and Maslowski, 2000). From its emergence in the 1905's, it is only in the 1990's that a relatively large number of survey studies have empirically tested the assumed culture – performance link (Wilderon, Glunk and Maslowsk, 2000). Alvesson (2002) suggests that this link has been examined in literature though three distinctive approaches at least. In the most instrumental of these approaches, culture is conceived as a building block to be engineered and designed by management.

4.10   DISCUSSION OF RESULTS

In this study, the organizational culture and performance in selected industry in South Eastern Nigeria with particular emphasis on the challenges facing organizations in their performance based on culture was evaluated. Five hypotheses were raised in the study. They were aimed at determining the significant value of culture to performance in organizations that adopt organizational culture.

Effort was made at determining the effort of organizational culture to organizations performance. Also the benefit of organizational culture to organizations performance was determined. The effect of environmental factors on the organizational culture to performance was also evaluated.

4.10.1 Objective 1

To ascertain the extent to which organizational culture enhances organizational commitment to performance.

It was statistically determined and upheld $X^2 = 142 > 9.488$ that organizational culture significantly enhances organizational commitment to performance as shown in the contingency table of 4.6 where null hypothesis is rejected and alternate hypothesis accepted based on the fact that organizational culture significantly enhances organizational commitment to performance.

This result confirms the report by Cameron and Quinn (2001:10) that a high degree of organizational culture is related to an organization which has a strong culture with well integrated and effective set of values, beliefs and behaviour. This result further confirms the report by Furnham and Gunter (2003:50) that a high performance culture means little more than

any culture that will produce a high level of business performance. This result also aligns with the report of Kotter and Heskett (2005: 101) that the effect of good organizational culture will include among other things, though tough to changes, organizational culture can be made more performance enhancing and organizational culture can have a significant impact on a firm's long term economic performance. These postulations were further confirmed by respondents that consistent organizational compliant with new technologies enhances performance.

4.10.2 Objective 2

To examine whether organizational culture promotes the consistency of employee attitude towards organizational performance.

The need to ascertain whether organizational culture promotes the consistency of employee attitude towards organizational performance was proved right based on the various parameters used which were supportive especially that founders hire and keep only employees who think and feel the same way they do. Based on the fact that computed 'r' value is 0.99 indicating that it is greater than the critical value of 0.3215 at 4 degree of freedom and 0.05 significant level as shown in table 4.7. There is every reason to reject null hypothesis and accept alternate hypothesis which shows that there is significant relationship between organizational culture and employee attitude towards organizational performance.

This result aligns with Cook (2001: 68) who posits that behaviour of members are required to fit in and meet expectations within their organizations for performance. Also it confirms the report of Marcoulides and Heck (2003: 40) that a model in which organizational culture was measured

using several latent variables (organigram, organizational values, task organizations, climate and individual values and beliefs) and organizational performance was measured using capital market and financial indicators. It was found that these latent variables had some effect on performance with workers attitude.

4.10.3 Objective 3

To examine the extent organizational culture could be used to reduce ambiguity for effective performance in organizations.

It was found that organizational culture could be used to reduce ambiguity for effective performance in the organizations. Though the assessment of different functional variables which subscribe to the fact of investigation with particular emphasis that manager's ability to harmonize employees from different cultural backgrounds into the organizational goals and objectives reduces ambiguity for effective performance. Consequently from the statistical information in table 4.8, the r-calculated is 0.8406 and greater that the table value of 0.3215, there is every reason to reject the null hypothesis and accept alternate hypothesis which shows that there is significant relationship between organizational culture and reduction of ambiguity for effective performance in the organization.

This result confirms the report of Schein (2002:90) that an integrated organizational culture reduces the uncertainty and ambiguity exercised in an environment and maintains an organization's operating capacity.

4.10.4 Objective 4

To determine to what extent core organizational culture enhances leadership performance of the organization.

Field investigations and analysis prove that core organizational culture enhances leadership performance of the organization wherefore the popular position of the respondents that good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance. This view was further authenticated via statistical computations in which it was proven that organizational culture significantly enhance leadership performance of the organization as seen in table 4.9 where chi square statistic calculated is greater than the table value ie 53 > 9.488, we will reject null hypothesis and accept alternate hypothesis which upheld that organizational culture significantly enhance leadership performance of the organizations.

This result confirms the report of Pfeffer (2001:80) that it is clear that being a leader denote being capable of managing and ordering the meaning that people give to their actions. Management then becomes a symbolic action and culture is seen as mediated in actions, language use and arrangement primarily affecting believes and understanding.

The report also confirms the report by Weihrich and Koontz (2003: 252) that effectiveness of an organization is influenced by organizational culture which affects the way the managerial functions of planning, organizing, staffing, leading and controlling are carried out.

4.10.5 Objective 5

To determine the extent to which organizational culture could be used to achieve organizational diversity for effective performance.

As one of the points of assessment, the assertion that the culture of diversification creates rooms to acquire new firms was not in doubt as analytical result of the least standard deviation of 9.63 above others posits that organizational culture could be used to achieve organizational diversity for effective performance. Statistically tested and accepted that there is a significant relationship between organizational culture and achieving organizational diversity for effective performance as seen in table 4.10 where 'r' calculated 0.884 is greater than the critical value of 0.3215 at 4 degree of freedom and 0.05 significant level. There is every reason to reject the null hypothesis and accept the alternate hypothesis which states that there is significant relationship between organizational culture and achieving organizational diversity for effective performance.

The result aligns with Kreitner et al (2002: 57) in the position that diversity is the multitude of individuals and the similarities that exists between people. Diversity is all about creating awareness, recognition, understanding and appreciation of human differences. It revolves around creating an environment in which every one feels valued and accepted. Further evidence is provided by Ozeal (2000:11) that valued diversity involves a cultural change geared towards viewing employee differences as valuable resources that can contribute to organizational success. Managing diversity concerns itself with enabling people to perform up to their maximum potentials. It focuses on changing an organization's culture and infrastructure such that workers provide the highest productivity possible.

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CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF MAJOR FINDINGS

1. Consistent organizational compliance with new technologies enhance performance.

2. Founders/managers hire and keep only employees who think and feel the same way they do to promote consistency in their attitude on performance given to the fact that they have the vision of the organization.

3. Manager's ability to harmonize employees from different cultural backgrounds into organizational goals and objectives reduces ambiguity for effective performance.

4. Good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance.

5. Analytical result of the least standard deviation of 9.63 points that organizational culture could be used to achieve organizational diversity for effective performance.

6. The statistical result of X^2 calculated shows that organizational culture significantly enhances organizational commitment to performance.

7. There is significant relationship between organizational culture and employee attitude towards organizational performance.

8. There is significant relationship between organizational culture and the reduction of ambiguity for effective performance in organizations hence r-calculated > t-critical.

9. Organizational culture significantly enhance leadership performance of the organizations since X^2 – calculated > t – critical.

10. There is a significant relationship between organizational culture and achieving organizational diversity for effective performance as was statistically tested and accepted.

5.2   CONCLUSION

In concluding the consensus of opinion on the link between organizational culture and performance, Bass (2005) argues that transactional leaders tend to operate within the confines the limits of the existing culture, while transformational (charismatic) leaders frequently work towards changing the organizational culture in line with their vision. Brown (2002) observes that good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their performance. Hennessey (2008) further argues that the most effective leaders foster, support and sustain organizational cultures that facilitate the type of management reform envisioned by reinventing government and the attendant increases in effectiveness and efficiency.

Organization can use organizational culture to enhance their commitment to performance through the perceive role that culture play in generating competitive advantage – Krefting and Frost (2005). Organizational culture can be used to reduce ambiguity for effective organizational performance by attempting a practical relevance by informing managers of what may be difficult or impossible to accomplish and providing ideas for constructive action in the light of culture, Berger and Luckmann (2009). Organizational culture promotes the consistency to employee attitude towards performance through job satisfaction which is positively associated with the degree to which employees fit into both the overall culture and subculture in which they worked, Adkins and Caldwell (2004).

Organizational culture can be used to boost the organization diversity and its effective performance by valuing diversity as it involves a cultural change geared towards viewing

employee differences a valuable resource that can contribute to organizational success, Robert Kreitner et. al. (2002).

Finally, core culture and leadership style that enhances organization performance can be attained by having visionary and inspirational skills of transformational leaders who will motivate followers to deliver superior performance, Nicholls, 2008; Quick, 2002).

5.3   RECOMMENDATIONS

1.   It is recommended that since the cultural values of organizational culture and performance are observable and measurable, it can be compared across organizations and directly related to individual and organizational performance.

2.   It is recommended that organization's performance as a function of the potential return to the inculcation of strong culture into the organizations systems thereby enabling it to execute its routines.

3.   The culture of an organization plays a major role in the adoption of information technology that leads to better performance/productivity, it is recommended that corporate culture is considered in conjunction with the relationship between the independent and dependent variables of information technology.

4.   The researcher recommends that companies should know how to develop their cultures in an effective way so that they will have the benefit of advancement in productivity and the quality of work life among the employees.

5.   The researcher recommends that employees must absorb the organizational culture at the maximum strength and the top management should provide a precise guideline and direction to motivate the employees in achieving the company's objective(s).

6.   The researcher recommends that since organizational culture comprises of unique quality or character of a company, the managers are challenged to search for the "strong" culture that could improve the organizational effectiveness.

7.   The researcher recommends that since organizational culture is the shared set of beliefs, expectations, values, norms and work routines, every organization should maintain its culture because it influences how members of an organization relates to one another and work together to achieve organizational goals.

5.4   CONTRIBUTION TO KNOWLEDGE

The researcher will among other things contribute to knowledge as he posits that current investigations show that organizational performance is rooted to organizational culture because culture represents the social glue and generates a we-feeling, thus counteracting process of differentiation that are an unavoidable part of organizational life. Against the work done by Harold and Darlene (2004) which say that the performance of organizations does not have its root in the culture of the organization.

Furthermore, the researcher affirms that both financial and non-financial measures should be used to measure/determine organizational performance because performance is a broader indicator that can include productivity, quality, consistency and so forth. On the other hand, performance measures can include results, behaviours (Criterion-based) and relative (normative) measures, education and training concepts and instruments including management development

and leadership training for building skills and attitudes of performance. Against the work of Wright in (2005) which says that both financial and non-financial measures should not be used to measure performance but that performance should be measured based on output of such an organization.

The researcher also affirms that organizational culture offered a shared system of meanings that is the basis for communication and mutual understanding that helps to reduce ambiguity in the organization thereby increasing the efficiency significantly and satisfactorily increase organizational performance. Against the work of Pacanowosky (2000) who believes that the channel for communication must be downward only against upward and downward for effective performance based on feedback.

Finally, the researcher affirms that firms with cultures suited to their market environment have better performance than those that are less fitted to their environment because there should be an enabling environment for an organization to achieve its goals. Against the work of Wyman (2004) who believes that performance of an organization must not be based on culture that is suited in its market environment

5.5   AREAS FOR FURTHER STUDIES

There are several avenues for future research first, by investigating organizations in U.S. and in Japan across industries with varying technologies, future research can determine whether organizational culture can indeed be characterized by seven dimensions of;

1.   Innovativeness

2.   Flexibility

3.   Orientation toward people

4.   Outcome or result orientation

5.   Detail orientation

6.   Orientation toward collaboration or team work and

7.   Aggressiveness

It would be interesting to discover if the findings of such studies replicate the underlying factor structure of earlier studies of organizational culture (e.g. Chatman and Jehn 1994; Hofstede et. al., 1990; O`Reilly et. al., 1991). Business firms might use the resulting set of organizational culture values to aid managers in determining which cultural values they want to emphasize, to ascertain the extent to which employees share and hold the firm's cultural values (by interviewing employees from top management to operational or staff levels), to measure organizational culture change over time, and to facilitate new employee – firm fit.

Second, research might determine if the U.S. national and organizational cultures can be characterized by innovation, outcome orientation, and aggressiveness and if the Japanese national and organizational cultures can be characterized by people, detail, and team orientation. If research reveals that national culture moderates the organizational culture and outcome relationship, then business leaders will know that they should not assume that one particular type of organizational culture is necessarily the best. Rather, in terms of customer satisfaction and market performance, the optimum organizational culture will depend on the national culture (and perhaps industry context) in which the firm is embedded. Firms whose cultures more explicitly emphasize factors related to the demands placed on them by national culture and industry characteristics will be better performers in their industries.

Third, research should determine if the cultural values best suitable for firms characterized by intensive technologies and high growth are innovation, aggressiveness, flexibility and people and team orientation. Similarly, we need to know if the firms characterized by long-linked technologies and low growth achieve greater business outcomes through detail and outcome orientations. Identification of cultural dimensions appropriate for intensive technologies and high growth versus long-linked technologies and low growth will help the top management in cultivating the cultural values best suited for their business.

Fourth, we need to know the manner in which the cultural values on which organizations place importance relate to both customer satisfaction and business performance. Specifically, we need to understand the relative importance of the congruence between organizational values and national culture and industry characteristics on customer satisfaction and business performance. If the fit between organization values and national culture and industry characteristics is found to be a factor in the achievement of greater business outcomes, then it is critical for the top management of firms to create an organizational culture conducive for business success in accordance with the elements of external environment.

Fifth, we need to examine the relationship between culture and performance among multi-national companies (MCNs) in different business sectors. It should be aimed to ascertain the culture adopted by local and foreign multinational companies because most of those companies might face the culture diversities when involve in the international expansion.

Finally, future research will include testing the model in the forest products industrial sector in Nigeria particularly in South Eastern part.

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APPENDIX 1

Department of Management

University of Nigeria Nsukka,

Enugu Campus.

1st July 2014

Dear Respondent,

I am a Doctor of Philosophy (Ph.D) degree student of the Department of Management, University of Nigeria, Enugu Campus. I am carrying out a thesis on the topic "**Organizational Culture and Performance in Manufacturing Industry in South Eastern Nigeria**" and your organization has been selected as a study area. The questionnaire contains two sections, A and B.

Please answer the underlisted questions truthfully and sincerely as honest answers will enable me draw a good conclusion as regards the study. All your responses and information given will be treated in strict confidence and will be used purely for academic purpose.

Thanks for your anticipated co-operation.

Yours sincerely,

AGU AFAMUEFUNA PHILEMON

Student

PG/Ph.D/06/45603

APPENDIX 2

QUESTIONNAIRE

SECTION A

PERSONAL DATA

Please you are expected to tick in the boxes provided whose answers appeals most to you, where

boxes are not provided, you can give brief answers to the questions

1. Name of respondent ………………………………..

2. Sex of respondents

   a. Male ( )

   b. Female ( )

3. Marital status

   a. Single ( )

   b. Married ( )

4. Your highest educational qualification

   a.   HND   ( )

   b.   B.sc   ( )

   c.   Ph.D   ( )

5. Your official position ……………………………………

6. Indicate your carder/designation ……………………………………

7. How long have your served the organization.

   2yrs ( )   3yrs ( ) 4yrs ( ) 5yrs ( ) 6yrs and above ( ).

SECTION B

Instruction: Please tick (✓) as appropriate in the spaces provided in the table below:

1	To ascertain the extent to which organizational culture enhance organizational commitment to performance	Agree (A)	Strongly Agree (SA)	Disagree (D)	Strongly Disagree (SD)	Undecided (U)
a.	The determinants of organizational culture like empowerment have direct bearing on organizational performance.					
b.	Consistent performance is dependent on truly motivated workforce.					
c.	The Positive forces inside the manager enhances performance.					
d.	Consistent organizational compliance with new technologies enhances performance.					
e.	The commitment relationship amongst the different departments towards the goals and objectives of the organization enhances sustained performance.					
2	**To examine whether organizational culture promotes the consistency of employee attitude towards organizational performance**					
a.	Founders/managers hire and keep only employees who think and feel the same way they do on their vision.					
b.	Founders/managers indoctrinate and socialize these employees to their way of thinking and feeling towards performance.					

c.	Founders/managers induced behaviour acts a role model that encourages employees to identify with them and thereby internalize their beliefs, values and assumptions towards performance					
d.	Empowering, motivating and rewarding employees to do their best promotes high productivity.					
e.	Maximizing the potentials of individual employees and terms to benefit them and the organization should be made a sustainable paradigm/ standards.					
3.	**To examine the extent organizational culture could be used to reduce ambiguity for effective performance in organizations.**					
a.	When the employees of a social unit share values, an organizational culture or value system can be said to exist which promotes performance.					
b.	The manager's ability to harmonize employees from different cultural backgrounds into the organizational goals and objectives reduces ambiguity for effective performance.					
c.	Organizational culture that does restricts employment to certain categories of people, gender and religion aims to reduce ambiguity for effective performance.					

d.	Organizational culture could be used to reduce local content factor like absenteeism for effective performance.					
4.	**To determine to what extent core organizational cultures enhance leadership performance of the organization**					
a.	Organizational culture and leadership are linked because performance of an organization is dependent on the conscious alignment of employee values with espoused values (strategies, goals, philosophies) of company.					
b.	Transactional leaders tend to operate within the confines and limits of the existing culture while transformational (i.e. charismatic) leaders frequently work towards changing the organizational culture in line with their visions.					
c.	Good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance.					
d.	Most effective leaders foster, support and sustain organizational culture that facilitate the type of management reform envisioned which increases effectiveness and efficiency.					

e.	The style of a leader affects performance.					
f.	Certain types of culture are linked to superior performance.					
5.	**To determine the extent to which organizational culture could be used to achieve organizational diversity for effective performance**					
a.	The Organizational culture to change with the changing business climate in the environment makes for effective organizational performance					
b.	Being dynamic with the supra technological development enhances organizational performance.					
c.	To change with the current market demands encourages organizational performance.					
d.	The culture of diversification, creates room to acquire new firms.					
e.	The culture to diversity can create room to outsource parts of business for more economic advantage.					

APPENDIX 3

SCHEDULE FOR ORAL INTERVIEW IS IN LINE WITH THE OBJECTIVES OF THIS STUDY

	QUESTIONS	RESPONSES
1.	How do your organization use organizational culture to enhance their commitment to performance?	-------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- --------------------------------------
2.	How do your organizational culture promote the consistency of employee's attitude towards its performance?	-------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- --------------------------------------
3.	How can organizational culture be used to reduce ambiguity for effective organizational performance?	-------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- --------------------------------------
4.	What are the core cultures and leadership style that enhances organizational performance?	-------------------------------------- -------------------------------------- -------------------------------------- --------------------------------------
5.	How can your organizational culture be used to boost the organization's diversity for effective performance?	-------------------------------------- -------------------------------------- -------------------------------------- -------------------------------------- --------------------------------------

ORAL INTERVIEW SCHEDULE

1. How important is organizational culture to performance?

a. Culture helps in decision making on ways of accomplishing organizational goals.

b. Culture helps to know how rewards are distributed to employees after the outcome.

c. Culture helps to know how the organization responds to its environment on activities geared towards performance.

2. Should there be a most suitable culture for specific organizations that will help them to perform efficiently?

a. A structure (Strong) culture is better than a universal (weak) culture on achieving organizational goal/productivity.

b. Every organization is unique and should develop its own unique culture for its effectiveness.

c. Cultures suited in its market environment performs better than those not suited.

d. The culture of an organization is a function of the personality of an individual especially the founders who articulates the activities of such organizations.

3. To what extent does textbook classifications on organizational culture aid our practical understanding and analysis of organizational culture on performance?

a. It shows that employees identify themselves with their organization and accept its rules when it is right thing to do to enhance productivity.

b. It shows that employees internalize the organization's values when they believe they are right for a better outcome.

c. It shows that employees are motivated to achieve the organizations objective(s).

4. What is the importance of effective management to organizational performance?

a.   Managers should be action-oriented and with a bias for getting things done effectively and efficiently.

b.   Managers should listen and learn from the people they serve, and provide quality, service and reliable ideas that will aid performance.

c.   Managers should be trained closely on what they know and can do very well for a better outcome.

d.   Managers should see innovation and risk-taking as an expected way of improving performance and doing things.

5.   What is the role of values and norms in organizational culture on performance?

a.   Values like *Terminal Values* signify what an organization and its employees are trying to accomplish at any given time.

b.   Values like *Instrumental Values* give the ways in which the organization and its members achieve organizational goals.

c.   Norms are unwritten, informal rules or guidelines that prescribe appropriate behaviour in particular situations.

N.B: The role of values and norms in organizational culture on performance cannot be over-emphasized as it is a pivot to both the managed and employees on accomplishing organizational goals.

Source: Field Survey, 2014.

APPENDIX 4

Determination of Reliability of Instrument

Two results – one is from the senior staffers and another from the junior staffers of the study organizations were correlated using the Spearmans Rank Order Correlation Coefficient to establish the reliability of the instruments. The nearer the result approaches unity, the more reliable the instrument.

Formular for Spearman Rank Order Correlation Coefficient $r_s = 1 - \dfrac{6\Sigma d^2}{N(N^2-1)}$

Where r_s	=	Spearman Rank Order Correlation Coefficient
I	=	Unity i.e. perfect correlation from which any value from the quality may be taken to reduce the coefficient.
6	=	This is a constant value
Σd^2	=	The sum of the difference in ranks squared
N	=	Number of cases

The following table is used to determine the above needed values – i.e. Σd^2 and N:

Spearman's Rank Correlation Table

X 1ST TEST SCORES	Y 2ND TEST SCORES	RANK X = DX	RANK Y = DY	D = DX-DY	D²
40	50	2.5	6.5	-4	16
50	60	5.5	9.5	-4	16
30	35	1	3.5	-2.5	6.25
40	45	2.5	3	-0.5	.25
60	70	10.5	14	-4.5	20.25
70	50	14.5	6.5	8	64
80	90	17.5	19.5	-2	4
65	60	13	9.5	4.5	20.25
55	45	7	3.5	3.5	12.25
85	80	19	17	2	4
50	50	5.5	6.5	-1	1
60	70	10.5	14	-3.5	12.25
60	70	10.5	14	-3.5	12.25
55	65	8	11.5	-2.5	6.25
90	90	20	19.5	0.5	0.25
75	65	16	11.5	4.5	20.25
60	50	10.5	6.5	4	16
45	40	4	2	2	4
80	85	17.5	18	-0.5	0.25
70	75	14.5	16	-1.5	22.5
					$\Sigma d^2 = 258.25$

N/B: N = 20, $N^2 = 400$, $\Sigma d^2 = 258.25$

$$r_s = 1 - \frac{6\Sigma d^2}{N(N^2-1)}$$

By substitution

$$r_s = 1 - \frac{6(258.25)}{20(400-1)}$$

$$= 1 - \frac{1549.5}{20(399)}$$

$$= 1 - \frac{1549.5}{7980}$$

$$= \quad 1 - 1941$$

$$= \quad .8056$$

$$= \quad .81$$

$$\therefore r \quad = \quad \mathbf{0.81}$$

This value of $r_s = 0.81$ is somewhat a high correlation between the two independent variables under consideration namely the 1st test administered result and the 2nd test administered result.