ORGANIZATIONAL CULTURAL TRAITS AND THE PERFORMANCE OF ORGANIZATIONS IN BENIN CITY

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Abstract

This study examined the relationship between organizational cultural traits on performance of business organizations focusing on four commercial banks in Benin City, Edo State, Nigeria. In examining the relationship between organizational culture and performance of business organizations in Benin City, culture components such as sense of mission in the organization, consistency of organization culture, organizational adaptability, and employee involvement were correlated with performance components such as organization growth, employee's commitment, goal achievement and customers' satisfaction. The study used data collected from the research questionnaires and the data were analyzed using percentage and Pearson's product moment correlation analysis.thev result revealed that the sense of mission in the organization, consistency in organization culture and organizational adaptability were found to have positive and significant relationship with organizational performance, while employee's involvement in the organization has no significant relationship with organizational performance. It was recommended that there should be training programmes for managers and employees on how to improve organization's product / service delivery to boost customer's satisfaction..

Keywords: Organisational Culture, Mission Traits, Consistency Traits, Adaptability Traits, And Involvement Traits

Introduction

Organizational culture has been found to be an important aspect of an organization, as it can, and does align employee's beliefs and values towards achieving organization goals and objectives. The culture of a particular organization determines the image of the organization as a social institution (Irena and Inta, 2013). The attraction of organization norms, value and believes have strong effect on performance.

As business evolve, to keep ahead of competition, organization depends on individual employee performance which affects the positively or negatively the organization performance (Wambugu, 2014).

In effect, culture dictates the way we do business and the organizational survival tactics that facilitate assimilation and personal success (Dave and Jeanne, 2011).

It is the focus of this study is to examine the relationship between organizational cultural traits and the performance of business organizations using selected banks in Benin City, Edo State, Nigeria.

Objectives of Study

The aim of this study is to examine the relationship between organizational cultural traits and the performance of business organizations. Other specific objectives are:

i.)   To examine the relationship between sense of mission in the organization and organizational performance.

ii.)   To examine the relationship between consistency of organization culture and organizational performance.

iii.)   To examine the relationship between organizational adaptability and organizational performance.

iv.)   To examine the relationship between employee involvement and organizational performance.

Literature Review

Concept of Organizational Culture and its Importance

Culture is define as a mixture of values, sets, believes, communications, and explanation of behavior that provides guidance to people (Alharbi &Alyahya, 2013).The loyalty of employees relies upon knowledge and awareness of culture that improve the behavior of organization (Brooks,2006) Organizational culture is a complex phenomenon and is formed in diversity of ways, it might initiate from the challenges and obstacles that

organizations features, it might be an intentional creation of the management and employees working in the organization (Durgadvi and Vasantha, 2017).

Organizational culture denotes a wide range of social phenomena, including an organization's customary dress, language, behaviour, beliefs, values, assumptions, symbols of status and authority , myths, ceremonies and rituals, and mode of deference and subversion ; all of which help to define an organization's character and norms (Davies, Mannion, Jacobs, Powell and Marshall, 2007). Organizational culture as shared beliefs and values within an organization that helps to shape the behavioural pattern of employees (Kotter & Heskett ,2011) . In another development, Buchanan and Huczynski, (2004) defined organizational culture as the set of reasonably uniform and enduring values, beliefs, customs, traditions and practices that are shared by organization members, learned by new recruits, transmitted from one generation of employees to the next.

Similarly, Dwirantwi (2012) defined organizational culture as the collection of the attitudes, experiences, beliefs and values of an organization, acquired through social learning, that direct the manner individuals and group in the organization interact with one another and with parties outside it.

Kayla (2008) asserted that culture is a determining factor in the success of any organization and she identified five importance of organizational culture. They include:

Unity: shared organizational culture promotes unity among employees in the work place. Having a strong shared culture at the work place gives the employees a sense of unity and understanding towards one another, promoting better communication and less conflict.

Loyalty: Organizational culture helps to keep employees motivated and loyal to management of organization. When employees see themselves as part of their organization, they are willing to contribute to the organization's success.

Direction: Organizational culture provides guidelines for controlling employee behavior and task activities. It lays down rules and generally acceptable practices, which must be followed by organizational members in relating with various stakeholders.

Identity: Organizational culture defines and gives organization its unique identity (Kayla, 2008). Organization's identity refers to the way individuals in the organization as well as its clients and customers perceive the organization. The values and beliefs of an organization contribute to the brand image (identity) by which the organization is known and respected.

Competition: organizational culture promotes healthy competition among employees, which leads to improvement in organization performance. Through organizational culture, employees strive to perform their best to earn recognition and appreciation from their superiors. Conclusively, competition brings about improvement in the quality of employees work thus, leading to better organizational performance.

Types of Organizational Culture

Cook and Rousseau (1988) affirmed that there is no single type of organizational culture and that organizational culture varies from one organization to another. They identified four types of organizational culture namely: passive, cooperative, competitive and aggressive culture.

In addition, Hellriegel, Slocum and Woodman (2001) described four major types of organizational cultures: bureaucratic culture; clan culture; entrepreneurial culture; and market culture.

Bureaucratic Culture: this type of organizational culture as that which has values for formality, rules, standards, operating procedures and hierarchy of structure. The task, responsibilities and authority for all employees are clearly defined and managers view their roles as being good co-coordinators and enforcers of rules and standards. They concluded that organization's rules and processes are spelled out in policies and manuals and employees believe that their duty is to go by it.

Clan Culture: tradition, loyalty, personal commitment, extensive socialization, team work, self management and social influences are attributes of clan culture. Organizations that adopt clan culture have long time commitment to its members in exchange for individuals (i.e. employees) long time commitment to the organization. It implies that organization members believe that the organization will treat them fairly in terms of salary increment, promotion and other forms of benefits. Thus, they hold themselves accountable to the organization for their actions.

Entrepreneurial Culture: this involves high level of risk taking, dynamism (flexibility) and creativity among organizational members. Entrepreneurial culture encourages individual and group initiative, flexibility and growth, as well as reward system among organizational members. They concluded that organizations that adopt entrepreneurial culture do not only react to changes in environment but also create change.

Market Culture: they describe market culture as that which encourages achievement of measurable and demanding goals, especially those that are financial and market based. Stiff competition and profit orientation prevail in organizations that adopt market culture. Organizations members in market culture see themselves as being responsible for some level of reward in return.

Models of Organizational Culture

There are various models of organizational culture. Famous among these models are Denison (1990), Aycan (2000), Schein (1999), Kotter and Heskett (2011), Hofstede (2001). For the purpose of this study, Denison's model of organizational culture was adopted because it focuses on the key cultural elements or traits that assist management of organizations to address the challenges in the internal and external environment in which business organizations operate.

Denison Model of Organizational Culture and Effectiveness
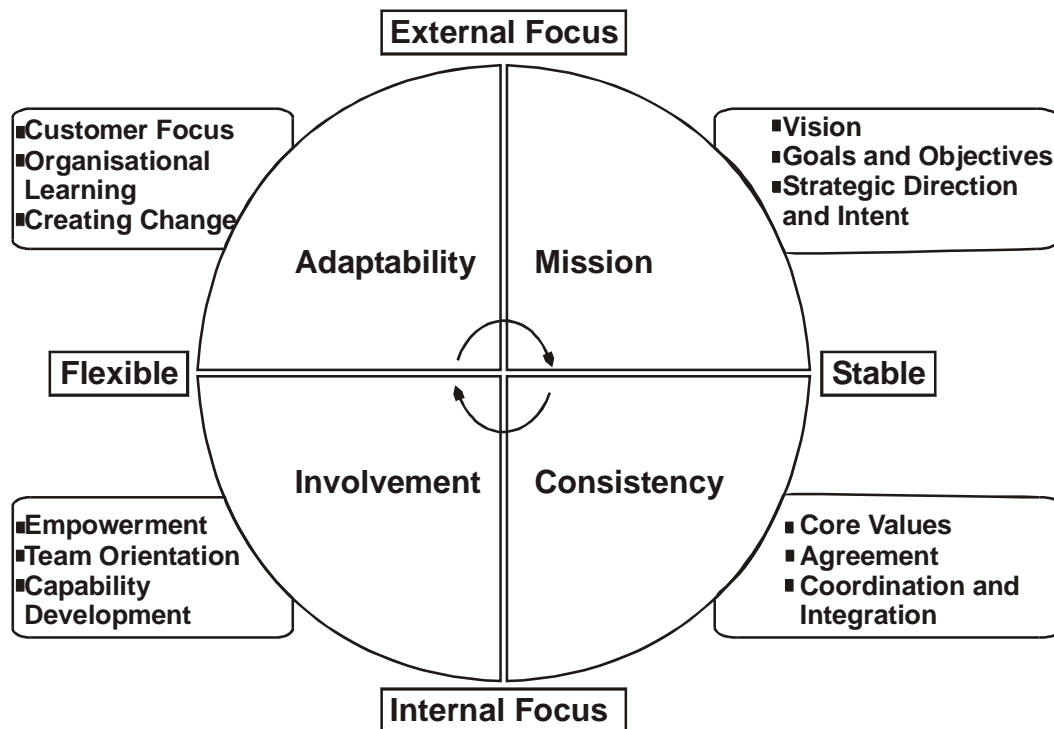
Fig. 1: Denison model of organizational culture and effectiveness

Sources: Denison 1990 model of organizational culture and effectiveness

Denison (1990) developed a model of organizational culture and effectiveness based on the four cultural traits of Mission, Consistency, Adaptability, and Involvement. For each of these four traits, the model identifies three indices of managerial practice and then measures these indices with each of the traits.

The cultural traits and managerial practices are presented in two dimensions on the horizontal (flexibility versus stability) and vertical (external versus internal focus) axes.

Involvement and Consistency traits addressed the internal dynamics of an organization while Adaptability and Mission traits focus is on the external environment of the organization. Furthermore, Involvement and Adaptability traits addressed organizational capacity for flexibility and change while Consistency and Mission traits focus on organizational capacity for stability and direction.

Characteristics of Mission Trait:

Mission is one of the important cultural traits that influence the effectiveness of an organizational. According to the Denison (1990), mission answers the underlying question of do we know where we are going. The mission of a company is essential as it is the basis for the concept of survival.

Mission consists of vision, goals and objectives, and strategic direction. The vision of an organization represents its most important values which show the internal relationship among employees. Goals and objectives are short term result that shows the relationship between the vision and strategy in an employee's daily activities. While strategic direction and intent provide structures and clarity for the members of the organization in order to achieve the organizational goals and objectives.

Characteristics of Consistency Trait:

Consistent culture is described as the collective definition of behaviors, systems and meanings in an integrated way that requires individual conformity rather than voluntary participation. According to Denison (1990), organizations with consistent cultural trait creates set of values and internal systems that are widely shared by organization members. These values and systems are well defined and form the basis of a strong culture. Consistency trait involves three basic levels namely coordination and integration, agreement and core values. The fundamental concept is that organizations characterized as "highly consistent" rely on implicit control system based on internalized values in achieving organizational goals rather than external control system

that rely on explicit rules and regulations. This makes for easy integration and coordination of organization.

Characteristics of Adaptability Trait:

Adaptability is another important cultural trait that highly influences the effectiveness of an organization. It deals with the relationship between organization and its environment. Adaptability trait consists of three sub point. Firstly, it has to do with creating change, which means that highly adaptive organizations are willing to try new approaches and welcome new ideas or ways they do business. Secondly, it has to do with Organizational Learning which indicates that risk taking is encouraged. It means that the organization members gain knowledge from organization past success or failure. The third sub point is customer focus. This states that the higher the adaptability levels of an organization, the higher the level of trust in the organization (Denison, 1990). Employees help each other in the process of identifying challenges and finding an appropriate solution together. They are open to innovation and change in order to achieve organizational success and satisfy customers' needs.

Characteristics of Involvement Trait:

Involvement is the degree to which individuals at all levels of the organization engage in the pursuit of the Mission and work in a collaborative manner to fulfill organizational objectives. Organizational culture strongly encourages employee involvement, build their organization around teams, develop human capacity at all levels and create a sense of ownership and responsibility. They rely on informal, voluntary and implied control system rather than formal explicit, bureaucratic control systems (Denison, 1990). Involvement trait consists of three sub points. The first is empowerment, this gives employees power to make decision on their own and contribute their opinions. The second sub point is capability development, which is concerned with training and development of employees in the organization in order to have support in areas such as decision making, taking responsibility and team goal setting. The third sub point is

teamwork, this provides employees with informed knowledge and less pressure to take risk, as decisions are made together.

The implication of the study of the model is that in a competitive business environment, cultural traits of mission, adaptability, consistency, and involvement would assist organization management in developing a strong workforce and strategy to compete, adapt and survive in today's dynamic business environment. Also, management of organizations needs to consider the importance of internal integration, external adaptation, changes and stability to organization survival. They should ensure to maintain a balance between change and stability as well as internal integration and external adaptation. It is necessary for organization survival.

Methodology

The research design that was adopted in this study is the survey method. The population of the study comprises of staff of UBA Bank Plc, ECO Bank Plc, Guaranty Trust Bank Plc and Zenith Bank Plc located in Oredo and Egor Local Government areas, Benin City. Forty (40) bank staff was selected from each of the five banks for this study thus, making a total of two hundred (200) bank staff selected for the study. The bank staff selected in the study sample was based upon a variety of criteria which include the specialist knowledge of the research issue, capacity and willingness to participate in the research.

The research instrument that was adopted in this study is the questionnaire. A 5 point likert scale question style was used access to the relationship between organizational cultural models and performance of selected business organizations in Benin City.

Data were collected from primary and secondary sources. Frequency tables and percentage were used to present data collected while the Pearson's product moment correlation coefficient was used to test the relationship between organizational cultural models and performance of business organizations at 0.01 significant levels. Result of hypothesis with correlation coefficient values of 0.50 and above were accepted and indicated positive and significant relationship.

Data Presentation And Analysis

A total of two hundred (200) questionnaires were distributed to staff of four commercial banks in Benin City – United Bank for Africa Plc, Eco Bank Plc, Guaranty Trust Bank Plc and Zenith Bank Plc. The category of bank staff that participated in the study include: management staff, senior staff and junior staff. One hundred and eighty-seven (187) copies out of the two hundred (200) copies of the questionnaire distributed were duly filled and returned, thus representing 93.5% response rate.

Hypotheses Testing

There are four hypotheses underlying the study. These hypotheses were analyzed and interpreted based on the results of the questionnaires using Pearson's product moment correlation coefficient statistical tool.

Hypothesis One

H_0: There is no significant relationship between sense of mission in the organization and organizational performance.

H_1: There is a significant relationship between sense of mission in the organization and organizational performance.

Hypothesis one was tested using Pearson's product moment correlation analysis. That is the response of respondents to questions 1 through 4 (Ratings of organization culture component (Mission) were correlated with the average response of questions 17 through 32 (Organizational performance).

Table 4.1: Correlation Analysis

		MISSION	**PERFORMANCE**
MISSION	Pearson Correlation	1	.659**
	Sig. (2-tailed)		.000
	N	187	187
PERFORMANCE	Pearson Correlation	.659**	1
	Sig. (2-tailed)	.000	
	N	187	187
**. Correlation is significant at the 0.01 level (2-tailed).			

From the correlation analysis output from Pearson's product moment correlation analysis shown in table 4.1, it shows that the correlation coefficient value is 0.659, which is not equal to zero. This implies that the null hypothesis which states that there is no significant relationship between employees' identification with organization's mission and organizational performance is rejected. This also implies that there is a significant relationship between sense of mission in the organization and organizational performance.

Hypothesis Two

H$_0$: There is no significant relationship between consistency of organization culture and organizational performance.

H$_1$: There is a significant relationship between consistency of organization culture and organizational performance.

Hypothesis two was tested using Pearson's product moment correlation analysis. That is the response of respondents to questions 5 through 8 (Ratings of organization culture component (Consistency) were correlated with the average response of questions 17 through 32 (Organizational performance).

Table 4.2: Correlation Analysis

		CONSISTENCY	PERFORMANCE
CONSISTENCY	Pearson Correlation	1	.672[**]
	Sig. (2-tailed)		.000
	N	187	187
PERFORMANCE	Pearson Correlation	.672[**]	1
	Sig. (2-tailed)	.000	
	N	187	187
**. Correlation is significant at the 0.01 level (2-tailed).			

From the correlation analysis output from Pearson's product moment correlation analysis shown in table 4.2, it shows that the correlation coefficient value is 0.672, which is not equal to zero. This implies that the null hypothesis which states that there is no significant relationship between consistency of organization and organizational performance is rejected. This also implies that there is a significant relationship between consistency of organization culture and organizational performance.

Hypothesis Three

H₀: There is no significant relationship between organizational adaptability and organizational performance.

H₁: There is a significant relationship between organizational adaptability and organizational performance.

Hypothesis three was tested using Pearson's product moment correlation analysis. That is the response of respondents to questions 9 through 12 (Ratings of organization culture component (Adaptability) were correlated with the average response of questions 17 through 32 (Organizational performance).

Table 4.3: Correlation Analysis

		ADAPTABILITY	PERFORMANCE
ADAPTABILITY	Pearson Correlation	1	.629[**]
	Sig. (2-tailed)		.000
	N	187	187
PERFORMANCE	Pearson Correlation	.629[**]	1
	Sig. (2-tailed)	.000	
	N	187	187
**. Correlation is significant at the 0.01 level (2-tailed).			

From the correlation analysis output from Pearson's product moment correlation analysis shown in table 4.3, it shows that the correlation coefficient value is 0.629, which is not equal to zero. This implies that the null hypothesis which states that there is no significant relationship between organizational adaptability and organizational performance is rejected. This also implies that there is a significant relationship between organizational adaptability and organizational performance.

Hypothesis Four

H_0: There is no significant relationship between employee involvement and organizational performance.

H_1: There is a significant relationship between employee involvement and organizational performance.

Hypothesis four was tested using Pearson's product moment correlation analysis. That is the response of respondents to questions 13 through 16 (Ratings of organization culture component (Involvement) were correlated with the average response of questions 17 through 32 (Organizational performance).

Table 4.4: Correlation Analysis

		INVOLVEMENT	PERFORMANCE
INVOLVEMENT	Pearson Correlation	1	.037
	Sig. (2-tailed)		.616
	N	187	187
PERFORMANCE	Pearson Correlation	.037	1
	Sig. (2-tailed)	.616	
	N	187	187

From the correlation analysis output from Pearson's product moment correlation analysis shown in table 4.18, it shows that the correlation coefficient value is 0.037, which is equal to zero. This implies that the null hypothesis which states that there is no significant relationship between employee involvement and organizational performance is accepted. This also implies that there is no significant relationship between employment involvement and organizational performance.

The following were the study findings:

i)   Sense of mission in the organization, consistency in organization culture and organizational adaptability were found to have positive and significant relationship with organization's growth, but with exception to customer's satisfaction.

ii)   Furthermore, this study has shown that employee's involvement in the organization has no significant relationship with organization's growth, employee's commitment, goal achievement and customer's satisfaction

Conclusion

This study has shown that performance of business organization is affected by organizational factors which include employee involvement and participation in decision making, sense of mission of employee, information communication, employee's understanding, and commitment to organization norms and values and consistency in organizational culture. These challenges have made it important for organization to

focus on the development of organizational culture in order to enhance performance and achieve business goals. Thus, in order for any organization to enhance its performance and achieve its business goals, there is need for such organization to have in place an effective organizational culture that align employees' beliefs and values towards achieving organization goals and objectives.

Recommendations

This section offers recommendations based on the findings of the study.

i. There should be training programmes for managers and employees of UBA bank, Eco-bank, Guaranty Trust bank and Zenith bank on how to improve organization's product / service delivery to boost customer's satisfaction.

ii. Employees should be effectively motivated, economic rewards must not be offered alone, but recognition and opportunities for realizing various individual goals and aspirations must be created.

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