

## IMPACT OF CORPORATE CULTURE ON ORGANIZATIONAL PERFORMANCE: A STUDY OF MOBILE TELECOMMUNICATION NETWORKS OF NIGERIA (MTN-NIGERIA)

<sup>1</sup>ONYEZE C.N., <sup>1</sup>EBUE M.I., <sup>1</sup>OKONKWO P.C. AND <sup>2</sup>OCHIAKA D.I.

<sup>1</sup>Department of Cooperatives and Rural Development. Faculty of Management Sciences.

<sup>2</sup>Department of Cooperatives and Rural Development Enugu State University of Science and Technology, Enugu.

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### Abstract:

The focus of this study is on the Impact of Corporate Culture on Organizational Performance, using Mobile Telecommunication Network of Nigeria as a case study. The broad objective of the study is to establish the relationship between corporate cultures on organizational performance. It was basically carried out to contribute to the ongoing management studies on the relationship between the two operational variables. Corporate Culture and Organizational Performance, which empirical evidences emerging from various studies have yielded mixed results that are inconclusive and contradictory. The specific objectives of the study are: to determine the impact of corporate culture on organizational performance; identify relationship between organizational creativity and innovation; ascertain the effects of corporate culture on employees' commitments to corporate. The research is a descriptive design. The researcher made use of relevant literature to collect data for the study. The findings of the study were; lack of corporate culture affects employees' commitments to corporate goals, there is relationship between corporate culture and organizational performance and cooperate culture brings about organizational success and positive innovation. In conclusion therefore, there is need for every organization to embark on corporate culture in order to enhance the performance of the organization, achieve success, positive organizational innovation and employees' commitments to corporate goals. Based on the above findings, the researcher recommends that, there is need for every organization to adopt or embark on corporate culture in order to ensure employees' commitments to corporate goal and to strengthen the relationship between organizational creativity and innovation.

**Keywords:** Corporate culture, Organizational performance, employees and Nigeria.

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### Introduction:

Many articles and books have been written in recent years about culture in organizations, usually referred to as "corporate culture". Culture deals with "the act of developing intellectual and moral faculties, especially through education [1, 2, 3]. The nature of organizational culture of an organization to a very large extent affects the performance of workers of the organization. Every organization has its own unique culture or value set. The culture of the organization is typically created unconsciously, based on the values of the top management or the founders of an organization [4, 5, 6].

There is some debate over whether companies should design their personnel policies and reward system around cultural values. Currently, companies tend not to, because of the concern about stereotyping certain cultures [7, 8, 9].

What is the culture of an organization and how it differs from structures of an organization needs to be looked into. Even if there is difference between culture and structure, what difference does it make is very necessary to be x-rayed [10, 11, 12].



Basically, corporate culture is the personality of the organization. Culture is comprised of assumptions, presuppositions, values, norms and tangible signs (artifacts) of organization and their behaviours. Culture is one of those terms that are difficult to express distinctly. It is the totality of people's way of life, what they do, think and have. However, one can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, what members wear, how they talk and handle peculiar issues [13, 14, 15].

Originally an anthropological term, culture refers to the underlying values, beliefs and codes of practice that makes a community what it is. The customs of society, the self-image of its members, the things that make it different from other societies, are its culture [16].

Culture is powerfully subjective and reflects the meanings and understandings that we typically attribute to situations, the solutions that we apply to common problems. The idea of a common culture suggests possible problems about whether organizations have cultures. Organization is only one constituent element of society. People enter it from the surrounding community and bring their culture with them. It is still possible for organizations to have cultures of their own as they possess the paradoxical quality of being both parts of and apart from society. They are embedded in the wider societal context but they are also communities of their own with distinct rules and values. This research is on the Impact of Corporate Culture on the Organization Performance: A study of Mobile Telecommunication Networks of Nigeria [17].

### **Statement of the Problem:**

This research seeks to find out the Impact of Corporate Culture on Organizational Performance using Mobile Telecommunication Networks of Nigeria. Corporate culture to a very large extent affects the performance of workers in an organization. Based on statistics, one in every two business organizations fails to survive due to the nature of corporate culture of the organization. Poor corporate culture makes employees to develop a different view of the work, as the work appears boring, aggravating and stressful. It will not attract top level talented workers and will not make employees to be efficient and successful.

This ugly development creates a lot of problems amongst the business environment and the entire economy. The business failure not unconnected with poor corporate culture hinders the economic development of the country. Furthermore, many researchers [18], [19], [20] concurred that there is no agreement on the precise nature of the relationship between corporate culture and corporate performance. In other words, there is no widely accepted causal relationship between corporate culture and corporate performance.

The empirical evidence emerging from various studies about the impact of corporate culture on organization performance have so far yielded mixed results that are inconclusive and contradictory. Because of these inconclusive and contradictory results, the question of whether corporate culture impacts positively or negatively on organization performance is still worthy of further research.

### **Objectives of the Study:**

The broad objective of the study is to establish the relationship between corporate cultures on organizational performance.

The specific objectives of the study are;

- To determine the impact of corporate culture on organizational performance.
- To identify relationship between organizational creativity and innovation
- To ascertain the effects of corporate culture on employees' commitments to corporate goals.



### Research Questions:

Based on the above objectives, some research questions were drawn, which include;

- How does corporate culture impact on organizational performance?
- What is the relationship between organizational creativity and innovation?
- What are the effects of corporate culture on employees' commitments to corporate goals?

### Study Area:

MTN Nigeria belongs to the South African company MTN Group, MTN Nigeria began operations in Nigeria on May 16, 2001. It was the first GSM network to make a call following the globally lauded Nigeria GSM auction conducted by the Nigerian Communications Commission earlier in the year. Thereafter the company launched full commercial operations beginning with Lagos, Abuja and Port Harcourt and since then has spread their network to other states in the Nigeria federation.

### Review of Related Literature:

The concept of culture has been called "the way of life for an entire society". The culture of a group can be defined as: "A pattern of shared basic assumptions that the group learn as it solves 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". In other words as groups evolve over time, they face two basic challenges: integrating individuals into an effective whole and adapting effectively to the external environment in order to survive. As groups find solution to these problems overtime, they engage in a kind of collective learning that creates the set of shared assumptions and beliefs which we call "culture".

Culture is the complex system of meaning and behavior that defines the way of life for a given group or society. It includes beliefs, values, knowledge, art, morals, laws, customs, habits, language, and dress. Culture includes ways of thinking as well as patterns of behavior. Observing culture involves studying what people think, how they interact, and the objects they make and use. As stated by two sociologists, "Culture appears to be built into all social relations, constituting the underlying assumptions and expectations on which social interaction depends" [21, 22, 23].

In any society, culture defines what is perceived as beautiful and ugly, right and wrong, good and bad. Culture helps hold society together. It gives people a sense of belonging, instructs them on how to behave, and tells them what to think in particular situations. Culture gives meaning to society.

Culture is both material and nonmaterial. Material culture consists of the objects created in a given society, which are its buildings, art, tools, and toys, print and broadcast media, and other tangible objects. In the popular mind, material artifacts constitute culture because they can be collected in museums or archives and analyzed for what they represent. These objects are significant because of the meaning they are given. A temple, for example, is not merely a building or a place of worship. Its form and presentation signify the religious meaning system of the faithful [24, 25, and 26].

Nonmaterial culture includes the norms, laws, customs, ideas, and beliefs of a group of people. Nonmaterial culture is less tangible than material culture, but it has strong presence in social behavior. Examples of nonmaterial culture are numerous and found in the patterns of everyday life. Thus in some cultures, people eat with silverware; in others, with chopsticks; and in some, with their fingers. Such are the practices of nonmaterial culture, but note that the eating utensils are part of material culture.



Culture is holistic and refers to the essence, the reality of the organization; how people deal with each and what behaviors are expected. All of the above elements are interlocking: culture is rooted deep in unconscious sources but is represented in superficial practices and behavior codes. Because organizations are social organisms and not mechanism, the whole is present in the parts and symbolic events become microcosms of the whole.

Because culture is so deeply rooted in an organizational history of success or failure, and because of its collective experience, any organization that needs to work to change it will be facing an uphill battle and a huge investment in time, resources, and work.

Jacques (1952:32) [12] referred to culture of a factory as its customary and traditional way of thinking and of doing things which is shared and which new members must learn. According to Deal (1998:18) [5], corporate culture is loosely defined as the attitudes, behavior and personality that make up a company. It is referred to general culture within a company.

A culture is formed as a result of solutions to problems that the group is facing. Therefore, culture can also be defined as the solution to the problems that a group will face. [27, 28, 29] identifies two problems that a group can face: the first kind of problem is related to the basic survival of the group. This will include problems relating to their primary task, basic function and the ultimate mission of the group. The second kind of problem is related to the ability of the group to function as a group.

According to [30, 31, 32], culture is, to the organization, what personality is to the individual. It is hidden but unifying force that provides meaning and direction that is based on the system of shared meanings, values and beliefs that ultimately shapes employees<sup>3</sup> behavior.

According to [33, 34], the current fascination with corporate culture began in the 1970s and early 1980s with the works of [35, 36] among others.

There are many different definitions of corporate culture, although almost all of the most widely accepted ones are similar and cover many of the same aspects.

Corporate culture has been defined in many ways by various authors and researchers. According to [37], there is no single universally accepted definition of the term and this has led to a great deal of conceptual confusion and ambiguity in the literature. At the most fundamental level, corporate culture refers to as set of values that are shared by a group of people that persist over time, even when there is a change in group members. At the more visible level, culture refers to a set of behaviors that are common among members of a group because these behaviors are expected by everyone [37].

Schein (1984:12) [31] defines corporate culture as the pattern of basic assumptions that a given group has invented, discovered or developed in learning, and that has worked well enough to be considered valid and therefore to be taught to new members. It becomes the common language and the common background. Culture therefore arises out of what has been successful for the organization.

Van den Berg (2004:12) [35] defines corporate culture as shared perceptions of organizational work practices within organizational units that may differ from other organizational units. It appears that corporate culture is unique to a particular unit. Organizational values are expressed in organizational practices that can be derived from the existing practice within the organization, department or work unit. This view is in support of Schein<sup>5</sup> s statement that "there cannot be a culture unless there is a group that owns it.

According to Schein (1984:12) [31], a given group is a set of people that have been together long enough to have shared significant problems; that had the opportunities to solve these problems and finally who have taken new members.



Smircih (1983:32) [32] drew a clear distinction between two approaches in understanding corporate culture. One approach assumes that corporate culture is a root metaphor, while the other approach assumes that corporate culture is a variable.

The first approach adopts a structural- functionalist view [3]. This approach views culture as something in organization "has" as opposed to something that the organization "is" [32]. It emphasizes that organizations are producers of culture that maintain social structures. The assumption here is that the organization "has" a certain collective culture and the particular culture was created to support the existing structure or strategy.

The second approach views corporate culture as another internal variable that will affect performance. The reason is that culture is merely another variable in the set of relationships organizations have with their environment [6]. As an internal variable, corporate culture can be managed and designed for organizational success and performance.

Corporate culture refers to the general culture within a company or organization. Though that is not the best description since a large non-profit organization or charity could also have its own corporate culture even though they are definitely not corporations [23] has described corporate culture as "the set of beliefs, values and norms, together with symbols like dramatized events and personalities that represents the unique character of an organization, and provides the context for action in it and by it.

According to [12], the definition of corporate culture has to be general, or else you start to eliminate factors that are actually part of corporate culture. He defined corporate culture as, "a pattern of shared basic assumptions that the group learned as it solved its problem that has worked well enough to be considered valid and is passed onto new members as the correct way to perceive, think and feel in relation to those problems;. Although the words are different, the two definitions are nearly the same in terms of content.

Another more simple way of looking at organizational culture is to view it as a group general reaction to stimulus. Corporate culture is a group of people who have been trained, or who simply have learned by those around them, how to act in any given situation. In this way, it functions just as any social learning does.

The other aspect of corporate culture that is often true is that it is very deeply rooted as the identity of a company, and because of that, in some ways it becomes an identity of those who work there, as well. The people end up affecting the culture as much as the culture is affecting them.

So while there are many definitions of organizational culture, all of them focus on the same points: collective experience, routine, beliefs, values, goals, and system. These are learned and re-learned, passed on to new employees, and continues on as part of a company's core culture.

A single definition of corporate culture has proved to be very elusive No one definition of corporate culture has emerged in the literature. For most organizational writers, "Culture" is a stable, conservative and resistant force that is likely to change only through management intervention. "Because of its deeply nature, any culture, social institution or organizational, is resistant to change".

According to [23], both managerially and critically minded organizational researchers assume that resistance to change is rooted in cultural stability that is resistance to managerial oppression that can be rooted in the solidarity of working class culture.

Attempt to define corporate culture has adopted a number of different approaches. Some focus on manifestations, the heroes and villains, rites, rituals, myths and legends that populate organizations. Culture is also socially contracted and reflects meaning that is constituted in interaction and that form commonly accepted definitions of the situation. Culture is symbolic and is described by telling stories about how we feel about the organization. A symbol stands for something more than itself and can be many



things, but the point is that a symbol is invested with meaning by us and expresses form of understanding derived from our past collective experiences. The sociological view is that organizations exist in the minds of the members. Stories about culture are unifying and refer to the process that binds the organization together. Culture is then consensual and not conflictual. The idea of corporate culture reinforces the unifying strengths of central goals and creates a sense of common responsibility. Organizational culture is the collection of traditions, values, polices, beliefs, and attitudes that constitute a pervasive context for everything we do and think in an organization. [22]

#### **Theoretical framework of the study:**

##### **Hostede's Organizational Culture Theory:**

This work is based on Hofstede's organizational culture Theory

Hostede demonstrated that there are national and regional cultural groupings that affect the behavior of organizations. Hofstede identified five characteristics of culture in his study of national influences: collectivism-individualism., power distance, uncertainty avoidance, as well as masculinity- femininity, and long term- short term orientation.

Long term-short term orientation is the fifth dimension of Hofstede which was added after the original four to try to distinguish the difference in thinking between the East and West. From his original IBM studies, this difference was something that could not be deduced. Therefore, Hofstede created a Chinese value survey which was distributed across 23 countries. From these results, and with an understanding of the influence of the teaching of Confucius on the East, long term vs. short term orientation became the fifth cultural dimension. The Chinese Culture Connection (1987) brings Hofstede work up to date [8].

Jackson & Bale (1998) review the former literatures, which discuss the value dimension in Hofstede's organizational culture theory, in the context of Chinese culture background. The author intends to borrow Hofstede's framework together with Jackson & Bak's (1998) to help the readers understand tile organizational characteristics in Chinese context.

**Power distance:** this refers to people beliefs about unequal distributions of power and status, and their acceptance of this inequality by declaring it a precise way of keeping social system balance. In high power distance cultures, individuals with positions in a hierarchy inherit considerable power [4]. Power distance is high in China, with the inapproachability of the top stratum, but with distances between middle management, supervisors and workers being somewhat smaller [6]. The respect for hierarchy and authority may well be rooted in Confucianism, together with a regard for age as a source of authority which is largely unknown in business in the West [7].

**Uncertainty avoidance:** It refers to degree of uncomfortable that people feel during imprecision and haziness situation, in high uncertainty avoidance cultures organizations having characteristics of providing resistance to new technology and are not taking potential risks about technology [23]. This resistance can also be found at individual level, where they show their dissatisfaction with new technology because of getting use to doing things by traditional way [13]. [13], indicate a strong avoidance of uncertainty among Chinese, with a strong desire to maintain social order with a degree of predictability. But [15], in his later work argues that uncertainty avoidance may be an irrelevant concept which is linked to the question of "truth". For instance, the Chinese manager may well be motivated to save "face<sup>5</sup>" and to tell the other person what they want to hear, rather than what may be regarded as the absolute truth in Western eyes [17].

**Individualism - Collectivism:** This culture dimension describes the degree of relationship between the individual and the group [16]. In individualistic countries, relation between individuals is loose and people





care more about themselves and their family, while in collectivist cultures, individual considers himself to be part of society and thinking about overall society rather than personal benefits [18]. As one would expect collectivism is high in Chinese culture [17]. However, the Chinese increased economic and the reform and open policy has weakened the collectivism characteristics in Chinese companies. The individualism has shown a sign in recent years in China.

**Masculinity-Femininity:** The concept of masculinity represents an emphasis on competition and the centrality of work in one's life. In a masculine culture, most persons believe that only men should worry about lucrative careers and those women shouldn't have to work hard or study if they don't want to. Japan is considered by Hofstede to be the most "masculine" culture. However, there is little direct information on China about masculinity- femininity dimension [17].

**Long term- short term orientation:** Rather than a short- term achievement orientation of many Western societies, China is characterized by long-term values [14]. Different perspectives on time between China and the West have implication for the perception of objectives, where the achievement of short-term objectives as an indicator of individual achievement may not be appropriate. In addition, some researchers believe that Eastern cultures have a fatalistic view of destiny, where cause and effect is more likely to be attributed to external factors than internal factor which can be controlled by the individual. Therefore, they believe that goal-based individual reward systems may not be appropriate [16]. However, some of the other researchers believe that the value system in China is changing [17].

### **Sociological perspectives on culture**

Sociologists study culture in a variety of ways, asking a variety of questions about the relationship of culture to other social institution and the role of culture in modern life. One important question for sociologists studying the mass media is whether these images have any effect on those who see them. Do the media create popular values or reflect them? The reflection hypothesis contends that the mass media reflect the values of the general population [13]. The media try to appeal to the most broad-based audience, so they aim for the most common values to depict images and ideas. Maximizing popular appeal is central to television program development. Media organizations invest huge amounts on market research to uncover what people think and believe and what they will like. Characters are then created with whom people will identify but they are distorted versions of reality.

The reflection hypothesis assumes that images and values portrayed in the media reflect the values existing in the public, but the reverse can also be true. The ideals portrayed in the media also influence the values of those who see them. Although there is no direct relationship between the content of mass media images and what people think of themselves, clearly those mass-produced images have a significant impact on who we are and what we think [6].

### **Reasons for creation of corporate culture in an organization**

There are five major reasons for creating corporate culture in an organization:

A strong corporate culture will attract high level talent. The high level talent entering corporations wants to go to the companies that offer opportunities for advancement and to show off their talents. The best people can be chosen and they will strongly consider the companies where the corporate culture appears effective and positive and the workers get along with each other and are united in their goals of making the company better.



A strong corporate culture will help keep one's top level talent. If workers love the job they are doing and feel like valuable members of a team, then they are not likely to go to another company. A top notch culture will not only attract the best new talent, but help retain them afterwards.

A strong culture creates energy and momentum. Once a strong corporate culture is built, it will gain a momentum of its own and will help to allow people to feel valued and express themselves freely. The excitement and energy this will cause will end up being a positive influence that affects every part of the organization.

A strong and successful corporate culture should alter the employee's view of work. Most people think of work as boring, aggravating, stressful, etc. instead of thinking of work as a place they have to enjoy. A solid corporate culture can make employees look forward to working. If the workers love coming to work, they are going to work hard and put more effort in their work assignment. Everyone wants a job that he will enjoy, and it is easier to work hard in a job one enjoys than the one he hates.

A strong and positive corporate culture will help make everyone more efficient and successful.

### **Sociological characteristics of culture**

According to [4], across societies, certain features of culture are noted by sociologists. These different characteristics of culture are examined here.

**Culture is shared.** Culture has significance because people hold it in common. Culture is not idiosyncratic; it is collectively experienced and agreed upon. The shared nature of culture makes human society possible, but may be difficult to see in complex societies where groups have different traditions and perspectives.

**Culture is learned.** Culture beliefs and practices are usually so well learned that they seem perfectly natural, but they are learned nonetheless. How do people come to prefer some foods to others? How is musical taste acquired? Sometimes, culture is taught through direct instruction. A parent teaching a child how to use silver – ware is one example of direct instruction; Children learning songs, myths, and traditions in school are another. Much of culture is learned indirectly from observation and imitation.

**Culture is taken for granted** - Because culture is learned, members of a given society seldom question the culture they belong to unless they become outsiders or establish some critical distance from the usual cultural expectations.

**Culture is symbolic.** The significance of culture lies in the meaning people give to symbols for things or behavior. The meaning is not inherent in the symbol but is bestowed by the cultural significance,

**Culture varies across time and place.** Physical and social environments vary from one society to another, and because people are creative in adapting culture to the challenges they face, culture is not fixed from one place to another.

### **Types of organizational culture:**

According to [7], there are a number of ways to classify different types of organizational culture. Developing the ideas of Harrison, Handy describes four main types of organizational cultures: power culture; role culture; task culture and person culture.

- **Power culture** depends on a central power source with rays of influence from the central figure throughout the organization. A power culture is frequently found in small entrepreneurial organizations and relies on trust, empathy and personal communications for its effectiveness. Control is exercised from the center by the selection of key individuals. There are few rules and procedures, and little bureaucracy. It is a political organization with decisions taken largely on the balance of influence.



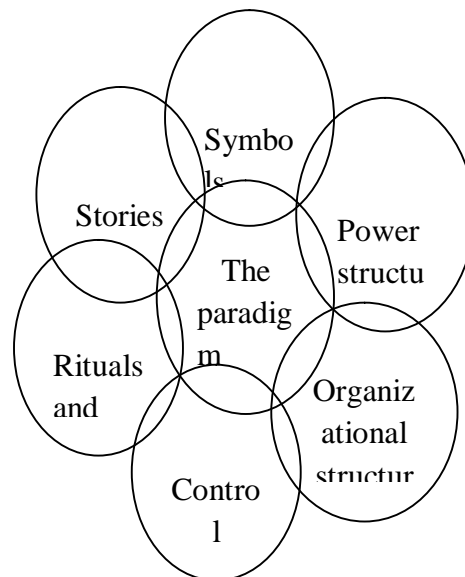


- **Role culture** is often stereotyped as a bureaucracy and works by logic and rationality. Role culture rests on the strength of strong organizational pillars' - the functions of specialists in, for example finance, purchasing and production. The work of, and interaction between, the pillars is controlled by procedures and rules, and co-ordinated by the pediment of a small band of senior managers. Role or job description is often more important than the individual and position is the main source of power.
- **Task culture** is job-oriented or project-oriented. In terms of structure the task culture can be likened to a net, some strands of which are stronger than others, and with much of the power and influence at the interstices. An example is the matrix organization. Task culture seeks to bring together the right resources and people and utilizes the unifying power of the group. Influence is widely spread and based more on expert power than on position or personal power.
- **Person culture** is where the individual is the central focus and any structure exists to serve the individuals within it. When a group of people decide that it is in their own interests to band together to do their own thing and share office space, equipment or clerical assistance, then the resulting organization would have a person culture. Examples are groups of barristers, architects, doctors or consultants. Although it is found in only a few organizations, many individuals have a preference for person culture, for example university professors and specialists. Management hierarchies and control mechanisms are possible only by mutual consent. Individuals have almost complete autonomy and any influence over them is likely to be on the basis of personal power.

**The cultural web:**

In order to help describe and understand the culture of an organization, Johnson, Scholes and Whittington (2001:17) present a cultural web, which brings together different aspects for the analysis of organization culture

**Figure 1: The Cultural Web**



**Source: Johnson, Scholes, and Whittington Cultural Web (2001:17)**

**Routine behaviours** – the ways in which members of the organization behave towards each other and towards those outside the organization and which make up how things are done or how things should happen.



**Rituals** – The particular activities or special events through which the organization emphasizes what is particularly important can include formal organizational process and informal process. **Stories** – told by members of the organization that embodied the present and flag up important events and personalities and typically have to do with successes, failures, heroes, villains and mavericks.

**Symbols** - such as logos offices cars titles, type of language or terminology commonly used -which becomes shorthand of the nature of the organization.

**Power structures** – 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.

**Control system** – the measurement and reward system that emphasize what it is important to monitor, and to focus attention and activity upon - for example stewardship of funds or quality of service.

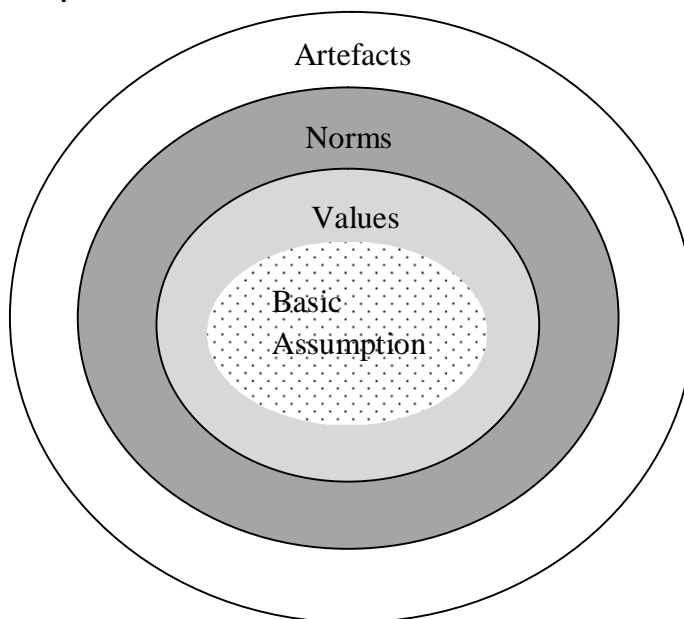
**Organization structure** – which reflects power structures and delineates important relationships and activities within the organization and involves both formal structure and control and less formal systems.

**The paradigm** of the organization which encapsulates and reinforces the behaviours observed in other elements of the culture web.

## 2.9 Multiple levels of organizational culture

Organizational culture can be analysed at several different levels, as shown in figure 2: This implies that there are different levels of cultural phenomena in organizations.

**Figure 2: Levels of Corporate Culture**



**Source: (Schein, 1984, Bargrain, 2001) Levels of Corporate Culture**

- a) **Artefacts:** this is the tangible and visible aspects of culture shared by members of organizations that are the manifestations of the culture [14]. Examples are office layout, manner of dress, public documents such as charters, employee orientation materials [11]. This visible level is easily obtainable hence artefacts are at the highest level of cultural awareness. Artefacts are difficult to interpret as it is not easily understandable why offices are laid out in a certain manner and why people dress in a certain way. The underlying logic is derived from the next layer.



- b) **Norms:** The second layers of cultural awareness are the norms that are guiding members regarding the appropriate behavior in a particular situation (Cummings & Worley, 2005:12). This will involve how members define and interpret situations of organizational life and prescribe the bounds of acceptable behavior [16]. These represent the unwritten rules of behavior.
- c) **Values:** Culture is created as a result of solutions to problems that the groups are facing. Values reflect the members' preferred means of resolving the problems that the groups are facing [18]. The values are the guiding principles of the group's behavior, irrespective of whether they are right or wrong, or whether they include the values that ought to be in the organization.
- d) **Assumptions:** At the deepest level of cultural awareness are taken - for-granted assumptions about how organizational problems should be solved [23]. According to [12] to really understand a culture and to understand the group's values and behaviors, it is imperative to delve into the underlying assumptions which are typically unconscious but which actually determine how group members perceive, think and feel. These assumptions are not easily recognizable and difficult to change [15]. If assumptions at the deepest level of cultural awareness are the most difficult to change, artefacts must be the easiest to change. It appears to be logical as dress codes, office layout and charters are easy to change. The difficulty lies in changing the underlying values and behavior's underlying the artefacts.

The above levels of culture are arranged in order of abstractness with artefacts as the most apparent manifestation of culture [19]. In contrast to Schein\* s typology of organizational culture, Denison's typology focuses on the concrete actions, conditions, and practices that are rooted in an organization's value system. [12], divided culture in the following levels:

- The values and beliefs that underlie actions;
- The patterns of behavior that reflect and reinforce those values; and
- The set of conditions, created by these patterns of behavior, within which organizational members must function.

The difference between the abstract (Schein) and concrete (Denison) is relevant when research methodology is considered. The concrete classification of culture may be more warranted when the level of culture being researched is more concrete than abstract [12]. The more concrete the culture, the easier it is will be to do comparative research between various cultures. Wallach's organizational culture index focuses on the more concrete levels of culture.

### **Organizational performance:**

The first problem in defining performance is that the definition of performance will depend on the stakeholders involved. Organizations inevitably have an array of stakeholders, and any particular measure of performance often tends to compete against another [13]. Shareholders prefer performance in dividends, while managers regard performance in operational processes as important. From a traditional perspective, organizational performance is commonly referred to as financial performance where considerations of budgets and assets are crucial in determining the overall bottom-line of an organization [15].

According to [12] performance implies the action of doing things, using things, and attending to conditions, processing, communicating, and achieving results. It is not a static concept, but an active concept. Langdon describes performance as consisting of four dimensions:

- a) Behavior;
- b) Standards;
- c) Support;
- d) Human relations.



An organization cannot perform unless all four layers are present. A high performance organization is one in which the culture provides employees with the accountability and responsibility necessary to meet customers' needs in a timely manner to ensure business success [11]. He defines characteristics of a high performance organization as follows:

- well- understood vision and values help guide decision-making
- decision making occurs at the lowest level;
- risk taking is encouraged;
- performance feedback comes from peers, customers and direct reports

From Allerton's definition, it is clear that he is of the opinion that a specific type of culture is important to create the environment in which an organization can perform. Not all corporate cultures will allow decision making at the lowest level or encourage risk taking. As [16] states in his article: "How a company decides who is authorized to make what types of decisions can have a profound effect on its business, both in terms of everyday effectiveness and the bottom line".

The pioneering work of [13] incited the interest of researchers to the concept of corporate culture and how these values and philosophy guide the employees' behaviour in the organization towards greater success. Following this pioneering work, many authors have researched the relationship between organizational culture and performance.

The table below shows the authors and the type of culture that they regarded as beneficial to enhancing organizational performance.

Author	Type of culture as predictor of performance
Ouchi (1981)	clan culture
Denison (1990)	participative culture
Kotler & Heskett (1992)	participative of all constituencies (customers, stockholders and employees)
Deshpande & Farley (1999)	Indian firms – entrepreneurial culture Japanese firms – competitive culture
Franco & Bourne (2003)	Entrepreneurial

Source: Deal and Kennedy *Organizational Culture and Performance* (1982:33)

**Innovative culture and performance:**

Empirical studies by [12] provided evidence that a paternalistic culture that does not punish people's mistakes and encourages discussion and analysis, can lead to a successful performance measurement strategy. They considered corporate culture as one of the critical factors for successful performance adherence. [14] Are of the opinion that an organization will need a culture that supports team-work, ownership and entrepreneurship as well as culture that focuses on continuous improvements.

Even though [16], came to the conclusion that a supportive culture will result in higher performance than any other culture type, he still supported the notion that an innovative culture can lead to increased performance. He believed that an organization must have the ability to restructure itself in times of change and the only way to achieve this is by fostering an innovative culture. [13], believed that two aspects of



adaptability are likely to have an impact on the organization's performance: The first impact was the ability of the organization to perceive and respond to the external environment. Second was the ability to respond to internal customers. If a department isolates itself from other department it will negatively affect performance. [14], supported Denison's view in suggesting that the willingness of employees to adapt to change will affect the performance of the organization.

**Factors affecting organizational performance**

[6], advocated that six factors other than culture can affect the performance of organizations. The key components of the six elements are as follow:

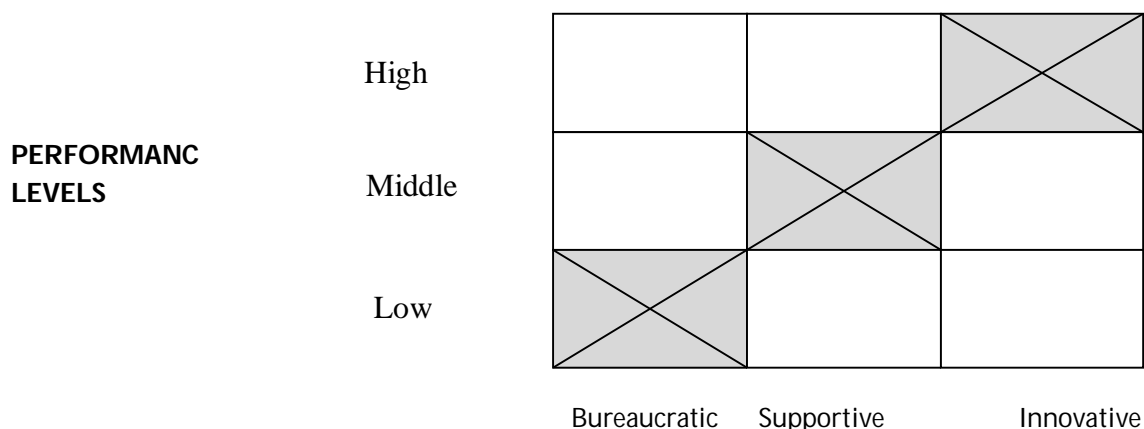
- a) **Context:** Context refers to the environment in which the organization operates and includes both external and internal environments. Organizational characteristics such as business strategy, strategy and structure as well as organizational culture form part of the context
- b) **Purpose:** This will represent the goals and objectives of the organization.
- c) **Composition & Diversity:** The demographics of the group will be identified in this variable.
- d) **Structure:** Size of the group will be taken into account
- e) **Processes:** The formation and socialization processes play a critical role in the performance of an organization. These ties back to Schein's (1984:55) [12] where he stated that a group must be together for a long enough time to resolve problems. It can therefore be concluded that performance can be determined by the length of time that a group has been working together.
- f) **Leadership:** The types of leadership behaviour will have an influence on performance.

Research has shown that a transformational leadership style does result to increased performance [7]. It can be concluded that culture is an important contributor to performance, but not the sole contributor. A review of the literature has shown that an innovative culture is the most desirable culture where an organization wants to increase performance.

Organizational culture is regarded as another variable that managers need to take note of when faced with the problem of increasing performance. If culture is regarded as a variable, it assumes that culture, like any of the other variables, can be controlled to an extent by the manager.

An innovative culture type will result in high performance, while a bureaucratic culture type will result in low performance. The matrix also -shows the relationship between culture type and performance levels.

**Figure 3: Performance/Culture Matrix**



Source: Cummings & Worley Performance/Culture Matrix (2005:32)



## **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS:**

### **Summary of findings:**

Based on the relevant literature consulted carried out by researcher, the following findings were made;

- Lack of corporate culture affects employees' commitments to corporate goals
- There is relationship between corporate culture and organizational performance
- Cooperate culture brings about organizational success, positive innovation and management change.

### **Conclusion**

- In conclusion therefore, there is need for every organization to embark on corporate culture in order to enhance the performance of the organization, achieve success, positive organizational innovation and employees' commitments to corporate goals.

### **Recommendations:**

Based on the above findings, some relevant recommendations were made, which include the following;

- There is need for every organization to adopt or embark on corporate culture in order to ensure employees' commitments to corporate goals.
- Top management of an organization should endeavour to employ high talented workers that will embark and value the need of corporate culture for achieving organizational success and increase in organizational performance.
- Every organization should embark on corporate culture for effective organizational innovation, increase in productivity of workers and to strengthen the relationship between organizational performance and success.

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