

## DIMENSIONS OF ORGANISATIONAL CULTURE AND EMPLOYEE PERFORMANCE

**Ailenbalulu Ofure Precious EYIBIO**

Department of Business Administration,

Nile University, Abuja, Nigeria

Email: [aileoeyibio@yahoo.com](mailto:aileoeyibio@yahoo.com)

### **Abstract**

*Culture has been identified as a critical tool in every organisation as it affects the performance of employees, organisational culture brings about effectiveness in the way employees perform their duties, tasks and responsibility thereby improving employee performance. This study therefore examined the effect of organisational culture on employee performance. The study employed the multiple regression analysis with the aid of Eviews 9.0 to analyze the data collected for the study. The study comprises of 167 employees as the population size out of which 150 were chosen as the sample size. However, research questions and hypotheses were formulated for the purpose of investigation. The study adopted the cross sectional survey design, thereby making the questionnaire the main instrument of data collection from the data analysis. The study revealed that employee's involvement in decision making and consistency have a positive and significant effect on employee performance. This implies that culture in organisation would improve the performance of employees. The study therefore recommended that organisations should improve on their employees' involvement and consistency as it will increase their employee performance.*

**Keywords:** *Organisational culture, consistency, commitment, employee performance*

### **INTRODUCTION**

Organizations are structured entities which are established to achieve specific objectives. Human resources remain the most important resources of any organization and hence, pivotal to the attainment of organizational goals and objectives (Blessing, 2012). In order to ensure the continued survival of organizations, culture has been identified as the principal aspect of an organization's functioning and a critical driver of effectiveness (Yilmaz & Ergun, 2008). This is

manifested in the shared fundamental beliefs and assumptions, values, attitudes, and behaviours of the organization's members, culture is theorized to be the prime factor shaping organizational procedures (Heris, 2014). According to Denison, organizational culture is the underlying values, beliefs, principles and practices that constitute its management system. The four general components applied in the model are Mission, Adaptability, Involvement and Consistency. Organizational culture is therefore described as the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways people in organizations behave and do things (Armstrong, 2011).

Chidiebere et al. (2020) opined that organization culture allows employees to understand both the organization's history and current methods of operation. This insight provides guidance about expected future behaviors. Secondly, organizational culture can foster commitment to the organization's philosophy and values. This commitment generates shared feelings of working toward common goals. That is, organizations can achieve effectiveness only when employees share values. Thirdly, organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors and away from undesired behaviors. This can also be accomplished by recruiting, selecting, and retaining employees whose values best fit the values of the organization. Finally, certain types of organizational cultures may be related directly to greater effectiveness and productivity than others (Chidiebere et al., 2020).

Literatures have documented that organizational culture exerts a considerable influence on employee performance (Hellriegel and Slocum, 2009; Magee, 2002). This means that by developing an appropriate organizational culture, organizations can achieve success and its objectives. The main objective of this study is to examine the effect of organizational culture on employee performance of First Bank in Abuja metropolis.

This study will be of immense benefit to financial institution by providing useful insight in managing and strengthening their performance, academics who are interested in furthering their knowledge of organizational culture and employee performance as the results obtained are capable of adding new insights to the present state of knowledge in the field and may therefore be found useful for teaching and for developing a body of management theory. The findings of this study would also lead to the improvements in workplaces to help employees become more committed to their jobs.

The study focus on the effect of organization culture on employee performance in First Bank Plc Abuja Nigeria. The study is restricted to Staff of First Bank of Nigeria Plc Abuja. The study uses two distinct concepts: organizational culture and employee performance. Despite the availability of other variables, the study only utilized organizational culture proxies namely; involvement and consistency however, employee performance proxies used in this study is employee commitment. The cross sectional survey design was adopted and Denison’s model deployed for analysis.

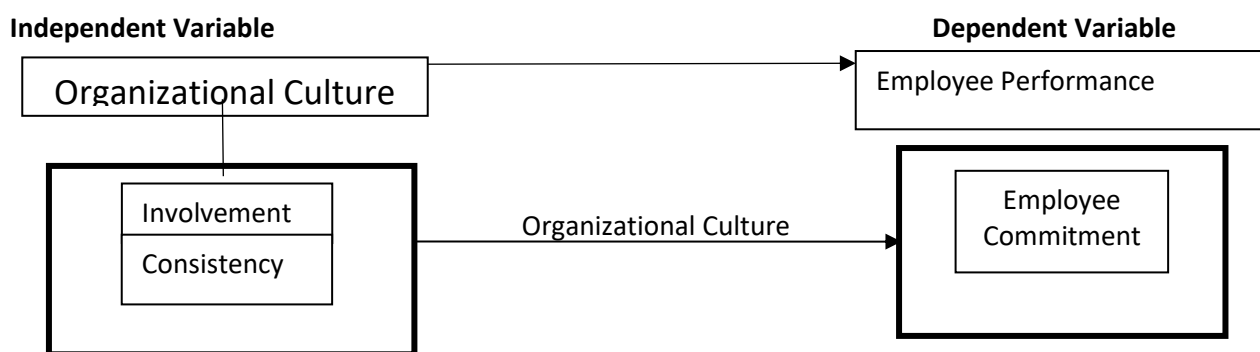
### LITERATURE REVIEW

The basic concepts especially around the study objectives need to be clarified on organization culture and employee performance. This will not only sharpen the direction of this study but will also provide a framework upon which the study findings will be validated.

The model below (see fig 1) explains the intersection of the dimensions of the predictor variable (organization culture) and measures of the criterion variable (employee performance).

The dimensions of independent variables (organizational culture) for this study are involvement and consistency while the measures of dependent variables (employee performance) is employee commitment.

#### Conceptual Framework of Linkage between Organizational Culture and Employee Performance



**Source:** Researchers’ modification of Denison’s model

Organizational culture is the social glue that bonds people together and makes them feel part of the organizational experience. Employees are motivated to internalize the organization’s dominant culture because it fulfils their needs for social identity. This social glue serves as a way to attract new staff and retain top performers (Adewale & Anthonia, 2013)

Gregory et al., (2019) explain that the term culture refers to the organization's core values and norms that have an influence on the different variables in organizational settings. Organizational culture acts as a cognitive map and provides a mechanism, the norms and values of the organization that members should follow and internalize organizational cultures that exist in the organization that affect the way in which individuals think, either consciously or not in making a decision and finally they feel need for action (Chandra et al., 2019; Rustiarini et al.,2021).

Organizational culture acts as a cognitive map and provides a mechanism, the norms and values of the organization that members should follow and internalize organizational cultures that exist in the organization that affect the way in which individuals think, either consciously or not in making a decision and finally they feel need for action (Lok & Crawford, 2019).

### **Empirical review**

Chidiebere et al. (2020) examined the impact of organizational culture and leadership style on employee performance and operational activities. A total of 284 selected employees from Zenith Bank Branches in Rivers State, Nigeria participated in the study and responded to the already validated scales used in the study. The study employed the ANOVA statistics to analyze the data collected. From the analysis of the data, the study revealed that organizational culture and leadership style independently and jointly significantly influence operational activities experience by employee with individualistic dimension of organizational culture and democratic dimension of leadership style combining to impact more positively on operational activities.

Ojo (2016) examined organizational culture and corporate performance in Nigeria. The study adopted survey research design. The population of this study is the entire employees of Nigerian commercial banks. Primary data were used for this study. Data were collected through questionnaire that was administered to the selected respondents, the two hypotheses proffered were tested and relevant recommendations were made. The conclusion drawn from the study was that organizational culture plays a vital role in an organization's general performance. This study contributes to organisational culture's literature by showing that employees would commit themselves to organizational goals and work actively in achieving those goals when they buy into cultural norms of the organization and thus increase organizational performance.

Olughor (2014) examined the influence of organizational culture on firms' effectiveness. The study adopted a survey design whereby questionnaire was administered to 200 respondents from the banking sector. The study used items drawn from the Denison organizational culture survey to measure culture and effectiveness. Using the regression analysis as the method of analysis the study revealed that organizational culture leads to increased organizational performance. From the analysis, all four cultural dimensions are less highly correlated with organizational effectiveness. In Nigeria, mission is the strongest contribution toward effectiveness.

Philemon (2014) examined organizational culture and performance in manufacturing industry in South Eastern Nigeria. 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.

### **Theoretical review**

Different theories/model such as theory Z, Hofstede's model, Schein's model and Denison's model have all been used to explain organisational culture and employee performance but the study adopted Denison's model.

### **Denison's Model**

Denison's model has been developed starting from the Schein (1985) approach to organizational culture. Therefore, the core of the model is represented by the underlying beliefs and assumptions. At the more surface-level, there are the values and the artifacts (symbols, heroes) and the behavior. In this model, the comparison between organizations is made according to the surface-level values and their manifest practices. The organizational culture model of Denison is

based on four cultural traits: involvement, consistency, adaptability and mission. All these traits have been shown to have an influence on organizational performance (Denison, 1990). This model was adopted for this study.

According to Denison's model, consistency also referred to as Shared values refer to beliefs, values and expectations, which members of an organization hold consensually. The values and systems form the basis of a strong culture (Denison, 1990). It also provides the central source of integration, coordination and control while Involvement refers to the level of participation by members in an organization's decision-making process. It also refers to the sense of responsibility and commitment thereby engendered (Denison, 2007). Involvement entails building human capacity, ownership and responsibility. It is very necessary as it leads to united vision, values and purpose.

It can be observed from the review of empirical studies from the Nigeria context are relatively scanty. Besides, empirical evidence on the effect of organizational culture and employee performance available in the literature are mixed and inconclusive, while some studies documented positive association, others suggested a negative association between organizational culture and employee performance; thus, making the present study imperative for Nigeria. It is against this backdrop that this study examines the effect of organization culture on employee performance of First Bank of Nigeria, Abuja to fill the existing gap in the local literature.

## **METHODOLOGY**

The study utilized the cross sectional research design, which implies one time gathering of information from study participants. The information on the independent and dependent variables was collected simultaneously from the participant using a well-designed instrument (questionnaire). The study was carried out in Abuja metropolis and was restricted to Staff of First Bank of Nigeria Plc, Abuja. Selected staff of Asokoro, Gwarimpa, Garki Area 3 and Wuse Zone 5 of First Bank of Nigeria Plc in FCT, Abuja metropolis were considered.

The population for this study is made up of 167 staff of First Bank of Nigeria Plc, Abuja metropolis. The study purposively adopts the entire population as our population size for the study while 150 is the sample size. The choice of the entire population was used for the study because the population is handy, manageable and accessible to the researcher. This gives every



## DATA ANALYSIS

This section presented the findings and results of the study in relation to the characteristics of the respondents. Findings and results were presented in the form of table and descriptive statements. It is worth knowing that out of the 167 copies of questionnaires distributed to the respondents only 150 copies representing 90% of the total number of the questionnaires were successfully filled and returned. While 17 copies representing 10% were not returned and could not be used for the analysis. However, the analysis was based on 150 questionnaires completed and returned. To test the reliability of the instrument, a pilot test was performed. This approach involved the administration of the questionnaire to ten (10) staff of other companies before the actual study. The selected staff does not form part of those used for the main study and was given a questionnaire to answer. Data from the questionnaire was collected and tested to determine the reliability of the instrument using the Cronbach Alpha Method provided by Statistical Package for Social Sciences (SPSS 20.0). Thus, a content validity index of at least 0.70 will make the instrument be declared reasonably content valid (Udofia, 2011). The result of the reliability test for the entire instrument was presented in table 1 below;

**Table 1 Reliability Statistics**

| Variable            | Anchor   | No. of Items | Cronbach Alpha |
|---------------------|----------|--------------|----------------|
| Involvement         | 5 Points | 5            | 0.82           |
| Consistency         | 5 Points | 5            | 0.78           |
| Employee commitment | 5 Point  | 5            | 0.75           |

**Source:** Authors computation, (2022)

The Cronbach's alpha conducted shows that all the variables have internal consistencies above the value 0.70 as indicated in Table 1. Therefore, the questionnaire items are declared reasonably content valid to be used for the analysis.

**Table 2: Regression Result for Employee Commitment Model)**

| Variable | Coefficient | Std. Error | t-Statistic | Prob.  |
|----------|-------------|------------|-------------|--------|
| C        | 0.708288    | 0.159273   | 4.447006    | 0.0306 |
| INV      | 0.291406    | 0.076402   | 3.814114    | 0.0407 |
| CON      | 0.124285    | 0.012397   | 10.02540    | 0.0002 |



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|                    |          |                       |          |
|--------------------|----------|-----------------------|----------|
| R                  | 0.828671 | Mean dependent var    | 4.160000 |
| R-squared          | 0.686697 | S.D. dependent var    | 0.875314 |
| Adjusted R-squared | 0.678054 | Akaike info criterion | 1.470924 |
| S.E. of regression | 0.496655 | Schwarz criterion     | 1.571278 |
| Sum squared resid  | 35.76664 | Hannan-Quinn criter.  | 1.511695 |
| Log likelihood     | 105.3193 | Durbin-Watson stat    | 1.334803 |
| F-statistic        | 79.45280 |                       |          |
| Prob(F-statistic)  | 0.000000 |                       |          |

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**Source: Authors computation, (2022)**

The result of table 2, shows that the model fits for estimation and the explanatory variable is capable of explaining the relationship between the independent and dependent variable. This can be confirmed by the value of F-statistics of 79.5 ( $p=0.00$ ) significant at 5% level of significance. This implies that the explanatory variables included in the model of the study are sufficient to explain the relationship between Involvement, Consistency and employee commitment of First Bank of Nigeria Plc Abuja.

R, the multiple correlation coefficient, is the linear correlation between the observed and model-predicted values of the dependent variable. The result of R stood at 0.828, indicating a strong relationship between the dependent variable; employee commitment and the explanatory variables; INV and CON.

The co-efficient of determination (R-square) stood at (0.687) indicating that about 68.7% of the systematic variations in employee commitment (ECMT) is explained by the variations in the explanatory variable (INV, CON) in the model. While the remaining 31.3% (i.e. 100-68.7) of the variation could be explained by other variables not considered in this model.

The adjusted R-square compensates for the model complexity to provide a fairer comparison of model performance. The result is supported by the value of the adjusted  $R^2$  which is to the tune of 67.8% showing that if the entire population was used, the result will deviate by 0.9% (i.e 68.7-67.8).

The Durbin-Watson statistics of 1.3348(close to 2) implies absence of auto-correlation problem in the residuals of regression analysis.

Also from table 2, the regression constant is 0.708, giving a predictive value of the dependent variable when all other variable is zero. The result of regression analysis shows that INV and CON have a positive relationship with employee commitment (ECMT) of First Bank of Nigeria

Plc Abuja. The result shows that a 1% increase in INV and CON will increase employee commitment (ECMT) of First Bank of Nigeria Plc Abuja by 29.1% and 12.4% respectively.

From the result of the data analysis, the study revealed that there is significant effect on involvement and consistency on employee commitment.

## CONCLUSION AND RECOMMENDATIONS

The conclusions for this study were drawn based on the results of the study. In consonance with the foregoing, the study draws the following conclusions, that Personnel/employee involvement in decision making has significant and positive effect with employee performance in relation to employee commitment. This implies that when personnel are given freedom to work with minimal interference from superiors and receive optimal support on all matters touching on their daily routines their commitment will be enhanced. The study also concludes that consistency has a positive and significant effect on employee performance of First Bank of Nig. Plc, Abuja. This shows that consistency governs the way employees carry out their duties. With the ethical code in place, when disagreements occur, personnel unite to work hard in order to achieve "win-win" solutions which will influence job commitment.

Based on the conclusion, the study makes the following recommendations;

First Bank Abuja should as much as the context permits allow personnel to be actively involved in decision making in their organizations. This would spur employee's commitment towards the attainment of objectives.

Banks staff should view their organization as their own and be more committed to the success of their organization to enable the organization contribute to their personal success.

Also, Banks should as much as possible encourage flexibility in the performance of tasks in the organization. This will make the job more challenging for employees as this will enhance their commitment to the organization.

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