

**INFLUENCE OF ORGANIZATIONAL CULTURE ON THE
PERFORMANCE OF EMPLOYEES AT COMMERCIAL BANKS IN
KENYA**

ANGELA ADEMBA

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DECLARATION

The project presented herein is truly mine and has not been submitted elsewhere for any award.



20/11/2021

Signature.....

Date.....

Angela A. Ademba

Reg. No: D61/77295/2015

The project is being undertaken under my supervision as university supervisor.



20/11/2021

Signature.....

Date.....

Dr. Margaret Kariuki

Department of Business Administration

School of Business

University of Nairobi

DEDICATION

This project is dedicated to my family for financial and social support in furthering my education.

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I sincerely acknowledge the support of my parents, siblings, friends and classmates for encouraging and supporting me in realizing my academic goals. I also recognize the support of colleagues from faculty of business, UoN, for inspiring me to seek more knowledge. Finally, recognize the constant support of Dr. Kariuki whose effort has helped improve the quality of the document.

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LIST OF ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
SPSS	Statistical Package for Social Sciences
UAI	Uncertainty Avoidance Index

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ABSTRACT

The inability to develop and keep appropriate organizational culture, norms and values render many organizations unable to optimally tap on their human resource capabilities for betterment of the organization. The consequence being high employee turnover and low productivity that threatens the sustainability of many organizations with many dying or closing down few years after inception. Lack of organizational culture that guides organization and employees may derail employees' performance. An appropriate organizational culture creates a favorable working environment for employees to exhibit their abilities whereas an organization characterized with negative and weak organizational culture tend to demoralize employees, including the more outstanding and promising employees with end results being poor employee performance. This study determined the influence of organization culture on employees' performance at commercial banks in Kenya guided by descriptive survey research design. The study population was the top 10 tier commercial banks currently operating in Kenya as per the CBK report of 2020. Top 10 tier commercial banks were targeted because they have certain established organization culture guiding the bank operations. The unit of observation was top, middle and subordinate employees of the selected banks. There were 976 employees of the selected top tier commercial banks comprising 145 top management employees, 236 middle level management and 595 subordinate employees. Yamane (1967) formula was adapted to calculate a sample of 384 employees which was selected using stratified random sampling. A structured questionnaire was the main tool of collecting data. The primary data collected using questionnaire was entered in an excel sheet entered into SPSS version 20.0. The particular descriptive results were percentages, averages and measures of variance (Std Dev.). Simple linear regression as a form of inferential was adopted. The study revealed that organizational culture had a significant and positive effect ($\beta=.418$, $p=0.000<0.05$) on employee performance of commercial banks in Kenya. Regression analysis showed that organizational culture explains 53.0% of employee performance. The study concluded that employees are a key part of every organization and as such the organizational culture should be established in a way that allows the employees to bring out the better of their abilities so as to improve organizational performance as a whole. The study recommended that commercial banks in Kenya optimize organizational culture specifically adhocracy culture, hierarchy culture, clan culture and market culture in ways that maximize the performances of their employees.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Performance of employees is viewed as vital determinant and predictor of aggregate organizational performance and a miss in organizational ability to stimulate employee performance is fatal to the sustainability of the organization (Akintayo, Ayantunji, Ajibola, & Adewole, 2020). Employee performance acts a critical function in an organization's competitiveness and sustainability (Koopman et al., 2014). Employee performance entails the ability of employees to undertake tasks proficiently, coupled with efficient communication skills, demonstrating superior effort, good interpersonal relations, peer and team performance that contribute to achievement of organization's goals (Isa, Ugheoke & Noor, 2016). Employee performance further describes employees' capacity to achieve organizational goals, accomplish organizational tasks, realize organizational expectation, attain organizational task targets and achieve task specifications created by organization to realize the set organization's success (Nguyen, & Tran, 2021). However, many organizations fail to identify the importance of employees in driving organizational goals and objectives (Stewart, 2010). The morale of employees in working productively is low in most organizations making them unable to accomplish organizational set goals.

The operations of employees at the work place depend on organization work culture. Thus, employee performance in an organization is linked to organization culture (Audu, 2021). The definition of organizational culture is described as the collection of traditions, conceptions, values, attitudes and procedures created or set by the organization as guiding principles. According to Gordon and Cummins (1979), organizational culture is a drive by organizations to recognize core tasks of the organization, efforts of the employees and to reconfigure the engagement of the organization and employees on how to achieve the set organizational goals through employee performance. Likewise, Komala (2017), notes that organizational culture via its values, symbols, assumptions and norms determines how organizational members and entities view and interpret reality within and outside the organization.

The organizational values and norms are perceived to influence task allocation to employees and management. According to Isa, Ugheoke and Noor (2016) the effective and efficient management of employees is possible through robust organizational culture. By understanding the behavior of the employees, the organization will easily identify the necessary information systems for the organization. Organizational culture is important because it is used in internal and external communications (Ali, Omar & Bakar, 2016). The culture in organizations can establish and provide guidance in developing information systems in the organization. Organizational culture is collection of norms and values followed by individuals; each organization has a culture distinct from the others (Owino & Kibera, 2019). The values and norms enshrined in the organizational culture, shaping organizational behavior and thinking are the characteristics that distinguish one organization from another (Anggadini, 2013).

The theories that guided the study include by Cameron and Quinn's types of Culture Theory Cameron and Quinn in 1999 and The Hofstede Model by Hofstede (2001). Cameron and Quinn's types of Culture Theory depict organization culture in four quadrants that include Clan, Adhocracy, Hierarchy, and Marketing (Cameron & Quinn, 2005). The various sorts of organizational culture will differently impact performance of employee. As indicated by Hofstede (2001), five major factors influencing organizational culture include long/short-term orientation, masculinity/femininity, uncertainty avoidance, collectivism/ individualism and power distance. As per the Hofstede's Cultural framework, cultural values of an organization and nature of delicacies influences how employees in an organization relate to one another and to the customers.

Many organizations tend to put more emphasis on intrinsic-extrinsic rewards paying less attention to organizational culture and values that emphasize employee determination, resilience, employee's support, team work, integrity and employee competence. Employees in most financial institutions in Kenya including the commercial banks have low work morale which undermines their performance (Mbogo & Nzulwa, 2018). Lack of organizational culture that guides organization and employees may derail employees' performance (Wanjiku, 2014). An appropriate organizational culture creates a favorable working environment for employees to exhibit their abilities whereas an organization characterized with negative and weak organizational culture tend to demoralize employees, including the more outstanding and promising employees with end results being poor employee performance (Wanjiku, 2014). Effective organizational culture will motivate, inspire and encourage employee productivity.

Commercial banks play major and critical function as intermediaries between loan providers and loan borrowers. It connects people, business enterprises and other organization entities to financial services (Trabelsi, 2015) by breaking down the information asymmetry between potential lenders and potential borrowers. Banks also offer much wide range of financial services like deposits, withdrawals, savings, and financial discipline awareness among others. In addition, commercial banks help in scrutinizing potential borrowers regarding their viability and trustworthy to repay loans in case they borrow. Thus, commercial banks are very important entities that finance business enterprises and also as entities that spur economic growth. Organizational culture is highly placed and ranked in financial institutions including commercial banks. Commercial banks are heavily reliant on organization culture to shape the norms, values and work ethics of their employees. However, many commercial banks have failed to adequately cultivate own unique, acceptable and service oriented organizational culture and this may derail employee work morale and thus overall productivity. Sharing values, norms and beliefs create organizational culture that drives how employees work in the bank. It is not empirically clear how organizational culture influences employees' performance at commercial banks.

1.1.1 Organizational Culture

Organizational culture defines the norms and values that guides the operation of an organization (Syauta, Troena & Margono Setiawan, 2012). Organization culture is vital in a firm as the set principles guiding and directing workers at their places of work (Alvesson, 2013; Saad & Abbas, 2018). As the world modernizes, organizational culture definitions are changing to incorporate innovativeness, creativity and entrepreneurial aspects. According to Harris (1981), organizational culture entails traditions, habits and collection of ideas, customs, concepts and procedures of operating.

Organizational culture as per Schein (2009), describes the behaviors, habits and practices guiding the functionality of an organization. It is anchored in organizations visions, values, norms, beliefs, habits, language of work and systems directing existing members of the organizations and those joining (Kuswati, 2020). Organizational culture impacts how entities and groups interact in the organization with stakeholders, customers and even among employees themselves (Twumasi-Ankrah, 2012). Organizational culture streamlines communication in the organizations, guides organization's way of making viable decisions while enhancing workers commitment to the organization (Padhi, 2017). Nonetheless,

organizational culture can be a major weak point if the shared values and beliefs interfere with business' needs and fail to harmonize workers' perception in the organization.

1.1.2 Employee Performance

Employee performance entails the capability of workers in an organization to undertake tasks proficiently, coupled efficient communication skills, demonstrating superior effort, good interpersonal relations, peer and team performance that contribute to the achievement of organizational goals (Isa, Ugheoke & Noor, 2016). Employee performance also connotes the capacity of employees to efficiently and effectively use available resources to achieve individual and organizational goals (Saad & Abbas, 2018). Employee performance further describes employees' capacity to achieve organizational goals, accomplish organizational tasks, realize organizational expectation, attain organizational task targets and achieve task specifications created by organization to realize the set organization's success (Alkhazali, et al., 2020).

The sustainability and growth of an organization is anchored on employee performance (Padhi, 2017). The performance of employees is depicted when carrying out a task or job where aspects of task organizational skills, leadership, time management skills and output proficiency are exhibited (Mbani & Datche, 2016). Some of attributes to measure employees performance in an organization include creativity, job satisfaction, quality of work, attention to details, efficiency, innovativeness, communication skills, customer relation skills, organizational skills and leadership skills (Sopiah, et al., 2021).

1.1.3 Organizational Culture and Employee Performance

Organizational culture links employees to the organization. According to Nguyen, and Tran (2021), organizational beliefs, norms, value and practices guide employees on how to undertake the tasks bestowed to them by the organization. As a collection of shared beliefs, norms and values, organizational culture guides the allocation of tasks, doing the task itself and presenting them to the next authority in charge (Rock, 2006). Well-articulated organizational culture with clear norms and values enhances the productivity of employees according to Paschal and Nizam (2016). According to Twumasi-Ankrah (2012), organizational culture impacts employee competence stimulating productivity.

Employees have to live upon the cultures of the organization upon recruitment to work there (Mbani & Datche, 2016). Employees rely on the set values, practices and norms to undertake

the tasks bestowed on them and this may significantly influence the success and prosperity of the organization. Organizational culture is significantly important in ensuring continuity of essential virtues of hard work among employees in the organization as per Aksoy *et al.* (2014). The continuity of ethics, art, skills, habits and beliefs leads to employee performance. Shared organization's purpose, vision and mission help coordinate tasks in the organization resulting to successful task delivery by employees thus employee performance (Yesil & Kaya, 2013; Yesil & Kaya, 2013).

1.1.4 Commercial Banks in Kenya

The major role of commercial banks is to provide financial related services to individuals, business enterprises, governments, institutions and other parties that require their services. In this regard, commercial banks link individuals, business enterprises, governments, institutions entities to potential lenders. Commercial banks offer wide varied types of financial related services including withdrawals, savings, deposits and keeping money on behalf of depositors. Commercial banks are also major sources of credit access facilities to borrowers where those who are lent money pay the principal amount plus interest accrued to the banks. Moreover, commercial banks employ many people as asset managers, human resources managers, customer relations, cashiers, credit officers among many other job opportunities available in the banking sector (Abdelsalam, et al., 2020).

Commercial banks can be locally owned, foreign owned or publicly owned. The regulation of commercial banks is in the hands of central, supreme or federal bank created by every country. Regulations of commercial banks are meant to ensure that commercial banks undertake their core functions according to stipulated law and guidelines. Commercial banks can be publicly managed, privately owned or foreign owned.

As per the 2019 report by Central Bank of Kenya (CBK), there are currently 43 commercial banks operating in Kenya comprising 29 local banks and 14 foreign. In Kenya, regulation of commercial banks is under the CBK. CBK was formed in 1966 and its mandate is presented in CBK Act Article 231 of the Kenyan Constitution. The CBK is the main body that regulates the activities of all commercial banks and other financial institutions. The CBK is mandated in formulating and implementing monetary policies to guide operations of the commercial banks. Functions of the CBK are majorly monetary including currency management by regulating generation and flow, managing government's foreign debt and domestic debt.

The provisions of the banking Act in Management of Commercial banks are embedded in Banking Act (cap 488) (National Council for Law Reporting, 2012). The enforcement of regulations by the CBK is contained in the Banking Act, cap 488. Regulations by CBK are to ensure money by depositors is protected and also the operations of the commercial banks are within the acceptable norms (National Council for Law Reporting, 2012). In addition, CBK also provide financial credit borrowing for the commercial banks.

The operations of commercial banks are guided by values, norms and beliefs created by the bank to ensure smooth relations among all parties involved including employees, the bank, customers and external parties like the CBK (Maina, 2016). These values, norms and beliefs thus create organizational culture of the bank (Odhiambo, 2016). The nature of organizational culture embraced by a bank impacts how employee relate, work, and interact with customers. An appropriate organizational culture can motivate employees to work to the attainment of the banks goals and objectives while inappropriate organizational culture can deter prosperity and growth of the bank according to Odhiambo (2016).

1.2 Research Problem

Organization culture entails the principles, philosophies, expectations; norms that keep the organizations bound to internal and external engagements. The specific cultures include adhocracy, clan, hierarchy and marketing culture. Adhocracy culture is featured by entrepreneurial behavior, dynamism, innovativeness and creativeness at the workplace (Tseng, 2010). Adhocracy culture puts emphasis on service and product development, change, growth, efficiency, productivity and trial (Cameron, 2004). Spirits of innovation and creativity are promoted by organization that believes adhocracy culture. Employees and organization have to adapt to the changing business environment as per the adhocracy culture (Cameron & Quinn, 2011). Thus, organization culture sets principles guiding and directing workers at their places of work. It also impacts how entities and groups interact in the organization with stakeholders, customers and even among employees themselves while streamlining communication in the organizations, guides organization's way of making viable decisions while enhancing workers commitment to the organization.

Many organizations die or close down after few years of their establishments due to its inability to create and manage strong organizational culture, norms, and values (Saad & Abbas, 2018). Many organizations tend to put more emphasis on intrinsic-extrinsic rewards paying less attention to organizational culture and values that emphasize employee determination,

resilience, employee's support, team work, integrity and employee competence (Mbogo & Nzulwa, 2018). For the commercial bank to attain its goals, and values including quality service delivery, integrity, creativity, responsiveness and efficiency, performance and commitment of employees is paramount (Mwashighadi & Kising'u, 2017). However, deficiency in banks own cultures particularly values, norms and beliefs may hinder optimal performance of employees. Less emphasis is put on core values, missions and vision, by the organization team management and when shared values exist, it is believed that an institution will work efficiently (Odhiambo, 2016). Poor organizational culture may result in low employee morale that may lead to declining employee performance. Ineffective organization culture may result to banks making decisions that discard employees which reduces their commitment thus, declining employee performance.

Many empirical studies missed to study the effect of organization culture on employees' performance in the context of the commercial banks. In the global scenario, Awadh and Alyahya (2013) studied organizational culture and performance of employees and noted that norms and values enable effective and efficient task allocation and management among employees. However, the study looked into organizational culture and employee performance in general literature without focusing on particular context presenting contextual gap. Isa, Ugheoke and Noor (2016) investigated how organizational culture influences employees' performance in Oman and established that bureaucratic and supportive culture have a positively and significantly influences employee's performance in the public sector. The study looked at public organizations in Oman. It is important to note that organizations may differ hence the need to study organization culture and employees' performance by focusing on commercial banks.

While focusing on Berhan International Bank in Ethiopia, Atfraw (2019) determined the impact of organizational culture on performance of employees and found that adaptability mission, consistency and involvement positively affects performance of employees. However, the study looked at commercial banks in Ethiopia which may differ in terms of operational context within commercial banks in Kenya. While focusing on telecommunication sector in Bangladesh, Uddin, Luva and Hossian (2013) studied how organizational culture impacts performance of employees and established that organizational culture significantly impacts performance of employees. However, the study was purely qualitative employing use of interviews contrasting current study that will be quantitative employing use of structured questionnaire presenting

methodological gap. The study also focused on telecommunication firms contrasting current study that focuses on commercial banks.

Locally, Mbani et al (2016) investigated how organizational culture influences performance of employees of Kenya Ports Authority and found that organizational culture significantly impacts performance of employees. However, the study focused on Kenya Ports Authority. It is important to note that organizations may differ hence the need to study how organization culture affects performance of employees in the context of commercial banks. While focusing on commercial banks, Mwashighadi and Kising'u (2017) investigated the role of organizational culture on firm performance and found that organizational culture positively impacts bank performance. However, the current study attempts to explore how performance of employees is influenced by culture of an organization. Therefore, this study endeavors to answer a fundamental question: How does organization culture influence employee performance at the commercial banks?

1.3 Research Objective

To determine the influence of organization culture on employee performance at commercial banks in Kenya.

1.4 Value of the Study

The results from the study were significant to financial institutions including commercial banks. The management of commercial banks were able to revise their organizational culture practices with a goal of enhancing employees' capabilities. Commercial banks may instill culture of team work, integrity and innovation among their employees.

The results also benefited policy makers including Kenya Human Resource Advisory Council and Kenya Bankers Association in the formulation of human resource policies that guide recruitment selection and capacity building of employees both in the banking and public sector.

The findings from this research are forms body of knowledge for future researchers and scholars. The results added to the pool of knowledge on organization culture and employee performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This part highlights the pertinent and similar literature on organization culture and employee performance. Theoretical literature and empirical review are also presented in this chapter. A critique of existing studies is also conducted to reveal knowledge gaps of the study.

2.2 Theoretical Literature Review

The main theory anchoring this study is Cameron and Quinn's types of Culture Theory supported by Hofstede Model (Hofstede, 1983).

2.2.1 Cameron and Quinn's Culture Theory

The main theory anchoring this study is Cameron and Quinn's types of Culture Theory. Cameron and Quinn's Culture Theory was postulated by Cameron and Quinn in 1999 and is anchored on stability/flexibility structure and internal/external focus dimensions (Cameron & Quinn, 1999). The 2 dimensions create four quadrants representing four kinds of cultures that include marketing, hierarchy, adhocracy and clan (Cameron & Quinn, 2005). It is believed that these cultures impact performance of an organization and are thus of critical interest in this study. The different types of cultures are explained in section 2.3.

Clan culture is vital in developing human resources to offer long term benefits characterized by organization cohesion, commitment and morale that may positively impact organizational performance (Kusumadmo, 2019). Clan culture preaches teamwork and collaborative participation which is vital in enhancing employee performance. Market culture is important in helping an organization understand the dynamics of business in the external environment (Cameron & Quinn, 2011). The hierarchy culture is featured by formal and structured procedures, clearly articulated processes and smooth-operational running of an organization stimulates employee performance. Adhocracy Culture puts emphasis on product development and service improvement, adaptability and growth impacting immensely to the organizational performance.

Cameron and Quinn's Culture Theory is relevant to this study. Organizational culture influences employee health, and plays a crucial role in employee productivity and enjoyment of work. Organizations that has set of norms, beliefs and values develops, creates culture of

creativity, innovations, team work, efficiency and reward that motivates employees to go beyond the call of their duty in transforming the organization.

2.2.2 The Hofstede Model

The Hofstede Model was postulated by Hofstede in 1983. As indicated by Hofstede (2001), five major factors influencing organizational culture include long/short-term orientation, collectivism/ individualism, masculinity/femininity, power distance and uncertainty avoidance. As per the Hofstede's Cultural framework, cultural values of an organization and nature of delicacies influences how employees in an organization relate to one another and to the customers (Hofstede, 2001). Power distance describes the level of acceptance of the inequality in existence among those people with power and those without (De Mooij & Hofstede, 2011). Individualism entails cultures characterized with weak ties among members in the society and each one fights to look on oneself and those very immediate to them (Hofstede, 2011). Under, collectivism, cultures are perceived as means to create harmony and integration among members in the society (Piepenburg, 2011). The cohesion developed in the groups over time providing protection in return for loyalty.

The Hofstede Model is applicable in this study. Cultural diversity is essential in determining how employees at work relate with one another and how they discharge their duties. If an organization is able to understand the cultural setting of the organizations and understand its work force/employees, it can appropriately adjust to fit to the dynamic environment and thus enhance performance of employees.

2.2.3 Growth of the Firm Theory

Penrose (1959) postulated the growth of the firm theory. The theory states the effective use of resources, productive opportunities coupled with diversification is the road to the growth of a firm (Penrose, 1959). Also, Stam (2010) identifies firm resources and capabilities as crucial elements in the growth of the firm. However, it does not mean that a firm commanding lots of resources is more profitable than a small firm with small resources. Firm growth calls for the diversification of firm resources to generate synergy (Penrose & Penrose, 2009; Buckley & Casson, 2010). According to McKelvie and Wiklund (2010) senior management support and know how capabilities are essential drivers of the growth of the firm. In addition, Koryak, *et al.* (2015) indicates that the proper management and channeling of firm resources resulting to firm competitive advantages.

In the context of the research, prudent use and allocation of resources enables the firm to achieve competitive advantage. Competitive advantage allows the firm to operate optimally in comparison to peers in the market. In addition, the employees of the firm are also able to deliver their mandate efficiently. This theory anchors the dependent variable which is employee performance.

2.3 Types of Culture

In-depth synthesis of the types of culture was conducted in this section. The specific cultures include adhocracy, clan, hierarchy and marketing culture. Adhocracy culture is featured by entrepreneurial behavior, dynamism, innovativeness and creativeness at the workplace (Cameron & Quinn, 2006; Tseng, 2010; Cameron, 2004). Adhocracy culture puts emphasis on service and product development, change, growth, efficiency, productivity and trial (Cameron & Quinn, 2006; Cameron, 2004; Tseng, 2010). Spirits of innovation and creativity are promoted by organization that believes adhocracy culture. Employees and organization have to adapt to the changing business environment as per the adhocracy culture (Cameron & Quinn, 2011). The measures of adhocracy culture include dynamism, entrepreneurial, risk taking, and innovativeness.

Cameron (2004) sees clan culture as a friendly setting where an extended family works in togetherness. Clan culture is featured by morale, tradition, commitment, participation, teamwork, loyalty, consensus, collaboration and personal growth (Cameron & Quinn, 2006; Cameron, 2004; Cameron, 2004; Tseng, 2010). Tseng (2010) argues that clan culture preaches teamwork and collaborative participation which is vital in enhancing employee performance. As per Cameron and Quinn (2005), unique features of clan cultures include worker/employee involvement, loyalty, commitment and teamwork. The measures of clan culture include mentorship, nurturing, teamwork, employee involvement, participation, and organizational commitment to workers/employees, rewards that largely target teams compared to individuals, loyalty, participatory commitment, loyalty, consensus and job rotation.

According to [Hofstede \(2001\)](#), masculinity and femininity refers to the gender dominance pattern in both traditional and modern societies. In masculine societies, assertiveness is highly regarded ([De Mooij & Hofstede, 2011](#)). Moreover, uncertainty avoidance refers to how members of the society react to and tolerate uncertainties and ambiguities in day-to-day lives ([Hofstede, 2001](#)). According to the Uncertainty Avoidance Index (UAI), people from high uncertainty avoidance culture tends to have higher anxiety and stress. Members in these societies need strong need for written rules and regulations ([Sun 2008](#)). On the other hand, in the cultures with low uncertainty avoidance level, people tend to show fewer emotions and they are more willing to take risks ([Hofstede, 1983](#)). Long-term and short-term orientation dimension is also known as the Confucian dynamic and the dimension originated from the study of cultural values ([Kanousi, 2005](#)).

Hofstede's Cultural model is relevant in informing the study. According to the theory, cultural values of an organization and nature of delicacies influences how employees in an organization relate to one another and to the customers. On the other hand, some organizations do employ team-leaders task in managing members while extracting the best from them. Managers are accorded special treatment; delegate some duties to team leaders than team members. Team members are expected to respect team leaders and work according to the orders and advice.

With hierarchy culture, the organization manages its workers/ employees with rather hard rules and regulations. The communication networks based on the type of organizational culture is not very smooth as the work environment if featured by higher formality ([Hartnell, Ou, & Kinicki, 2011](#)). Organizational parties are bound together by internal controls governed by procedures under hierarchy culture. Under hierarchy culture, principles of stability, established rules, and policies bind the organization together ([Cameron & Quinn, 2005](#)). The measures of hierarchy culture are formal and structured rules, policies, organizations, smooth functioning entities, stability, coordination, controls and efficiency.

A market culture is featured by results-orientation at the place of work, emphasizing more on winning, being superior to competitors, rising share value and being market leader ([Cameron et al., 2006](#); [Cameron, 2004](#)). According to market culture, closeness to customer results to being informed about the market on time, product improvement ventures and rising brand loyalty that leads to enhanced organizational financial performance ([Barney, 1986](#)). The measures of market culture include competitive organizations, productivity, result-driven,

timely accomplishment of task, value competition and achievement, coordinated engagement with customers, contractors, external suppliers, productivity, high emphasis on wins, tough and demanding leaders, definition of success based on market share and penetration.

2.4 Measures of Employee Performance

Employee's performance defines workers' ability to efficiently and effectively deliver and utilizes the available resources to achieve set goals be it individual or organizational (Saad & Abbas, 2018). The sustainability and growth of an organization is anchored on employee performance (Padhi, 2017). Employee performance further describes employees' capability to achieve their organizational goals, fulfill expectation, attain task targets and achieve standards created by the organization that has a direct link with the firm's success (Uddin, Luva & Hossian, 2013).

The performance of employees is depicted when carrying out a task or job where aspects of task organizational skills, leadership, time management skills and output proficiency are exhibited (Mbani & Datche, 2016; Shahzad, Iqbal & Gulzar, 2013). In this study employee performance will be based on four main measures and include attention to details, commitment, nature of work output and task delivery rate.

2.5 Empirical Literature and Knowledge Gaps

Local and global studies have been undertaken to uncover knowledge gaps on organization culture and performance of employees. Using descriptive research design, Paschal *et al.* (2016) investigated how organizational culture affects performance of employees by focusing on telecommunication firms in Singapore. It was found that value, ritual and heroes significantly impact performance of employees. Symbol did not impact employees' performance.

By focusing at NIC Bank Limited, Kenya, Odhiambo (2016) investigated how organization culture influences employee performance. The research design employed was descriptive survey research design. It was found that NIC bank employed organization culture that included integrity and team work to promote employee performance.

While focusing on Berhan International Bank, Atfraw (2019) determined the effect of four organizational culture traits namely, consistency, mission, involvement and adaptability on employee performance. Structured questionnaire to collect explanatory data was administered to Berhan International Bank employees. Since the research is descriptive in nature, a

quantitative method was used. However, the study looked at commercial banks in Ethiopia which may differ in terms of operational context with commercial banks in Kenya.

While focusing on commercial banks, Mwashighadi and Kising'u (2017) investigated the role of organizational culture on organizational performance and found that organizational culture positively affects bank performance. Nonetheless, the current study attempts to explore how organizational culture influences performance of employee in commercial banks.

While focusing on Wartsila-Kipevu II Power Plant, Wambugu (2014) studied how organizational culture impacts performance of employees and established that organizational values, positively and significantly influences performance of employees and the impact was bigger than organizational climate. The study employed a survey research design. Work processes and system had largest impact to employees' performance. However, Wambugu (2014) paper looked at organizational culture of Wartsila-Kipevu II Power Plant contrasting current study that focuses on commercial banks an indication of contextual gap.

Uddin, Luva and Hossian (2013) looked at the effect of organizational culture on performance of employees by focusing telecommunication firms in Bangladesh. The paper employed qualitative approach. It was established that organizational mannerism had either negative or positive impact on employee performance, which then impacts on overall organizational performance. However, how the different types of organizational culture (adhocracy, hierarchy, clan and marketing culture) affects employee performance were not established presenting a conceptual gap.

While focusing on Saudi Arabian public service, Saad *et al.* (2018) studied how organizational culture impacts job performance. A structured questionnaire was employed to collect data. Organizational culture positively influences job performance. Change management, cultural strength, goal achievement and teamwork positively impacts job performance though in varying degrees. The current study attempted to illustrate how organizational culture impacts employee performance presenting a conceptual gap.

While focusing on the civil service in Kenya, Nyabuti, et al. (2017) investigated how organizational culture affects employee performance. Cross-sectional survey design was utilized in the research. From the analysis, organization culture significantly impacts employees' performance in the public sector. The study did not indicate how adhocracy, clan, hierarchy and marketing culture influences employee performance presenting a conceptual gap.

While focusing on Kenya Ports Authority, Mbani and Datche (2016) investigated how organizational culture influence employees performance. The design utilized was descriptive research design. Organizational culture positively affects performance of employees. Competitive culture presented the greatest impact on performance of employees compared to clan culture and hierarchy Culture. The study failed to include marketing culture which is an important factor when it comes to both employee and organizational performance presenting a conceptual gap.

Thuku, Abiero and Juma (2013) investigated how organizational culture impacts performance of employees of East African Breweries. The study employed case study research design. Market culture has positive impact on performance of employees. However, other forms of organizational culture including adhocracy, clan and hierarchy were left out in the study by Thuku, et al (2013) presenting a conceptual gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section highlights the methodology and guidelines that were employed to guide this study. It shows the research design, study population, sampling frame and sample size, technique to select sample size, methods to collect data, pilot study and how the data was analyzed.

3.2 Research Design

Contextual survey design was employed to guide this research. The design was suitable in accurately and systematically describing a population (Surmuehlen, 1982). Contextual survey design is appropriate when information regarding what, how, when and where answers of research problem (Creswell & Creswell, 2017). Contextual survey design aims to accurately describe a research problem by collecting relevant data, analyzing and interpreting. Thus, descriptive survey design was appropriate in analyzing how organization culture influences employee performance by focusing on commercial banks operating in Kenya.

3.3 Target Population

Target population defines study elements to be studied (Sekeran & Bougie, 2010). The study population was the top 10 tier commercial banks currently operating in Kenya as per the CBK report of 2020. Top 10 tier commercial banks have been targeted because they have certain established organza culture guiding the bank operations. Only head office banks operating within Nairobi City were studied for ease of data collection. The target population is presented in Table 3.1

Table 3.1: Target Population

Bank	Top management	Middle management	Subordinate employees	total
KCB Bank	22	37	79	138
Equity Bank	14	35	84	133
NCBA Bank	10	24	67	101
Co-operative Bank	18	27	74	119
Absa Bank Kenya Plc	26	19	56	101
Standard Chartered Bank (K)	14	21	53	88
Diamond Trust Bank Kenya	19	26	47	92
I & M Bank Limited	10	17	52	79
Stanbic Bank Kenya Ltd	5	16	44	65
Bank of Baroda (K) Limited	7	14	39	60
Total	145	236	595	976

3.4 Sample Size and Sampling Procedures

The study calculated a sample of 384 employees using the Yamane (1967) formula as shown in Table 3.2

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = population size

e = the level of precision

1 = Constant

$$n = 976 / 1 + 976(0.05)^2$$

$$= 284 \text{ employees}$$

Table 3.2: Sample Size

Bank	Top management	Middle management	Subordinate employees	sample size
KCB Bank	6	11	23	40
Equity Bank	4	10	24	38
NCBA Bank	3	7	19	29
Co-operative Bank	5	8	22	35
Absa Bank Kenya Plc	8	6	16	30
Standard Chartered Bank (K)	4	6	15	25
Diamond Trust Bank Kenya	6	8	14	28
I & M Bank Limited	3	5	15	23
Stanbic Bank Kenya Ltd	1	5	13	19
Bank of Baroda (K) Limited	2	4	11	17
Total	42	69	173	284

A total 284 employees to be included in the study were selected using stratified random sampling. Stratification of sample size is meant to ensure that the members of the population are at least included in the study.

3.5 Data Collection

Structured questionnaire was the main tool of collecting data. The data to be collected was the primary data. Questionnaires suitable in gathering data not easily observable helps in making in-depth inquiry on attitudes, motivations, opinions and feelings of the study population being studied according Marshall and Rossman (2010). The questionnaire was in a form of likert

scale with five options to choose from. The options are 5=strongly agree, 4= agree, 3=neutral, 2=disagree and 1=agree.

In the midst of Covid-19, an online based questionnaire was used. After seeking the consent of the participants, the questionnaires were emailed to the respondents in form of Google forms. A timeline of 3-5 days was allocated to enable respondents fill the online based questionnaires. Online follow up of unfilled questionnaires was then conducted after the lapse of the timeline.

3.6 Data Analysis

Data analysis entails using a particular application, software or individual brain reasoning to generate statistics with aim of deriving meaning from it (Zikmund, *et al.*, 2010). The primary data gathered using questionnaire was keyed in into MS Excel application and exported to SPSS Version 23.0 for actual analysis. SPSS software is readily available and friendly to use. Data analysis entailed both descriptive and inferential results. Descriptive statistics comprised the averages and standard deviations whereas inferential results entailed the simple linear regressions. The simple linear regression estimated was;

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where;

Y =Employee performance,

X₁ = Organizational culture,

β₀ = the constant term and ε = error term,

β₁ = Beta coefficient that measures the changes in the outcome variable, Y against a unit change in X₁.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION OF RESULTS

4.0 Introduction

The questionnaire response rate and demographic features of the population are presented in this chapter. Descriptive output including averages and standard deviations are presented. Simple linear regression analysis was undertaken to determine the influence organization culture on employee performance at commercial banks in Kenya.

4.1 Response Rate

An aggregate of 284 questionnaires were sent to respondents online. 217 questionnaires properly filled and returned. Table 4.1 shows the response rate of the tool.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	267	94.01%
Unreturned	17	5.99%
Total	284	100%

A total of 267 questionnaires were properly representing a 94.01% percent response rate. Bailey (2000) established that return rate of more than 50 percent is adequate. Thus, return of 94.01% showed in this study was excellent enough to draw satisfactory conclusions from.

4.2 Employees' Demographic Data

The study determined the demographic data of the employees that are the subject of this study. The specific demographic features entailed the gender of the employees in the banking sector, their ages and their level of education.

4.2.1 Gender of the Employees

The study sought to establish the gender participants and output is shown in Figure 4.1.

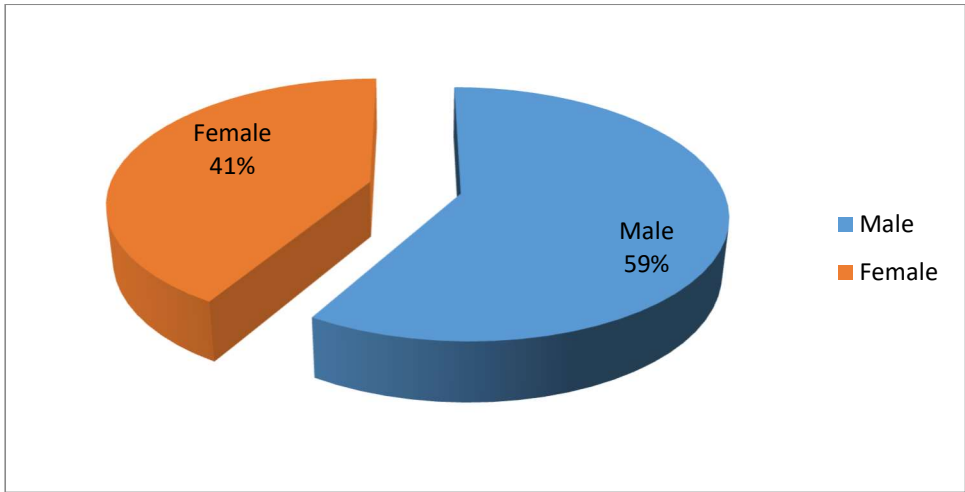


Figure 4.1: Gender of the participants

According to the Figure 4.1, a majority (59%) of employees are males whereas 41% of them are female. Munjuri and Maina (2013) found that the banking sector in Kenya is dominated by males. The results imply that Kenyan banking sector have more male employees and as such, measures should be put in place to encourage more women to join this sector.

4.2.2 Age of the Participants

The age of the employees in the commercial banking sector was explored. Figure 4.2 shows output.

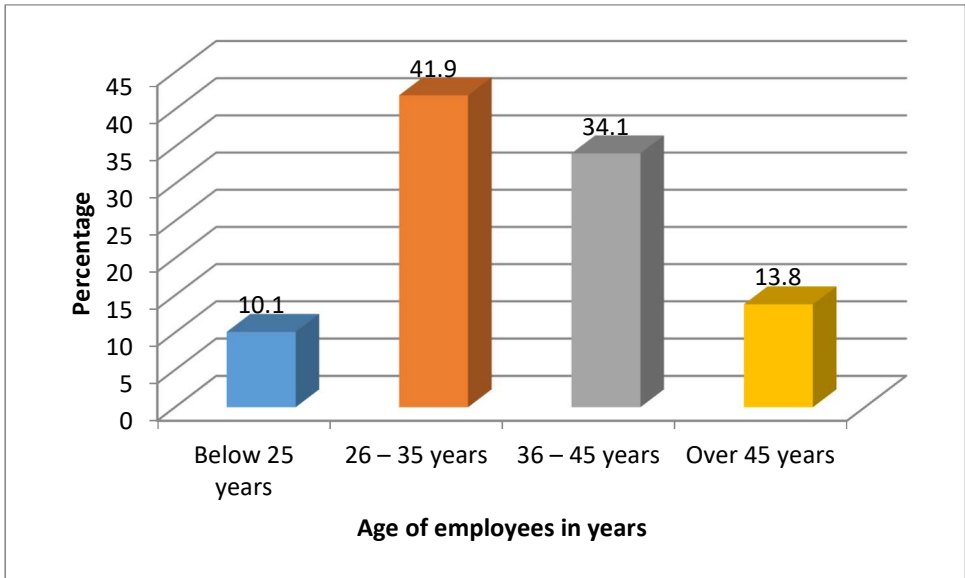


Figure 4.2: Age of the Participants

According to Figure 4.2, most (41.9%) of bank employees who took part in the study were between the age of 26-35. 34.1% were between the ages of 36-45 years. 13.8% of the

employees were over the age of 45 and 10.1% were below 25 years. The output is an indication that most of the employees in Kenya's banking sector are young people and as such are more open to change and innovation in the organizational culture characterizing the banks. This is in line with the findings of Warr (2020) who established that younger employees are more adaptable to changes in the organization.

4.2.3 Educational Attainment of the Respondents

Further, the research established the academic qualifications of the employees. Figure 4.3 shows the finding.

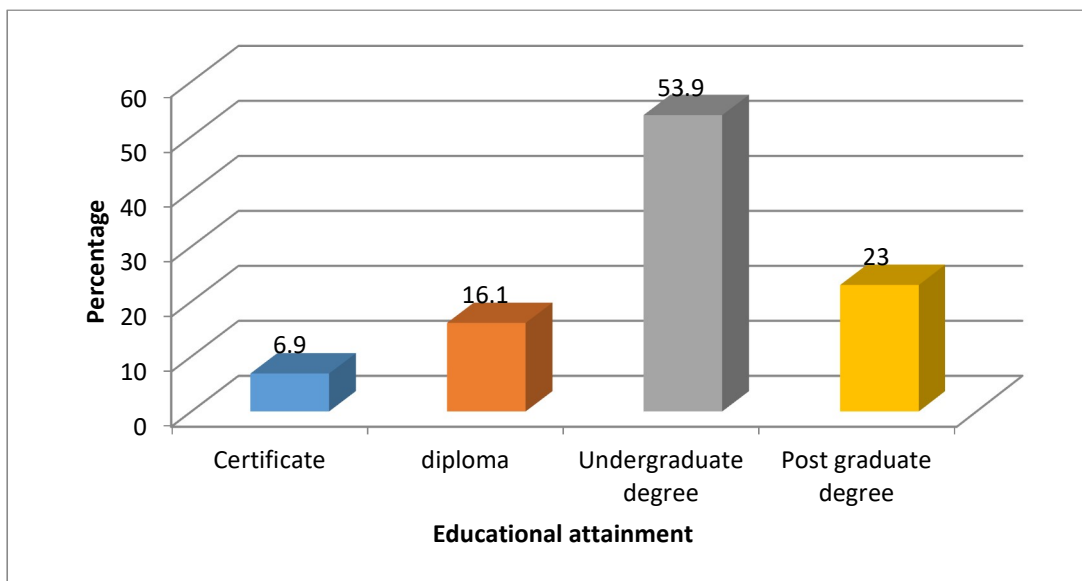


Figure 4.3 Educational Attainment by Bank Employees

Figure 4.3 reveals that most (53.9%) of the respondents had undergraduate degrees and 23% of them have post graduate degrees. 16.1% of the employees have diplomas and 6.9% of them have certificates. The output results signifies that majority (76.9%) of the employees in Kenya's banking sector have at least an undergraduate degree. Employees in commercial banks have sufficient education and understand organizational culture and its effects on their performance as employees. This is in line with the findings that the education of employees has positive effect on performance of financial institutions (Khan, Ahmad, Iqbal and Haider, 2014).

4.3 Descriptive Results

Descriptive output results of independent variable of the study, organizational culture that includes adhocracy culture, market culture, hierarchy culture and clan culture. The section also presents the descriptive results of the dependent variable, employee performance. The responses from the respondents were rated on five point scale. The output entails percentage, averages and standard deviations.

4.3.1 Organizational Culture

The study determined how organization culture influences employee performance in banks. Table 4.2 shows the output.

Table 4.2: Responses on Organizational Culture

Organizational culture	Mean	SD
Adhocracy culture		
At this commercial bank, creativity among employees is highly encouraged	3.6	1.04
This bank adequately supports the development of entrepreneurial skills among its employees	3.8	1.03
The working environment of this bank is adaptable to all employees with diverse socioeconomic and biological features	3.9	0.99
Continuous learning culture among employees is highly encouraged and supported by this commercial bank	3.7	1.1
Employees at commercial bank are flexible to organizational changes that emerge because of the dynamic business environment	3.5	1.21
Power is decentralized flowing from individual to individual or team to team based on employee roles	3.7	1.09
Clan culture		
I am loyal to my work and the bank, and shall deliver my mandate as prescribed	3.6	1.2
This bank adequately nurtures employees to suit the needs of their tasks	3.7	1.30
Employees' involvement in task management and delivery is well established at commercial bank	3.8	1.21
Teamwork among employees at this commercial bank is highly encouraged and supported by the management	3.6	1.09
The management of this commercial bank is committed to training her employees	3.5	1.06
Hierarchy culture		
The rules governing work engagement in this bank are too tough for me	3.6	1.30
The policy guidelines of this bank are in tandem with the operational efficiency requirements	3.7	1.21
This bank functions smoothly with minimal operational hitches	3.8	1.06
There are clear guidelines pertaining manner in which this bank approaches certain tasks	3.7	1.09
There are clear and well-defined processes guiding the missions and visions of the bank	3.7	1.21
Market culture		
This commercial bank is very competitive in co-coordinating its tasks	3.6	1.10
Employees in this bank are result-oriented	3.8	1.01

This bank enjoys good rapport with other banks and partners in the financial sector	3.6	1.04
The bank encourages healthy competitive spirit among its employees	3.7	1.24
Bank's goals are well articulated to achieve optimal efficiency and profitability from its products and services	3.5	1.05

Most of the employees agreed that creativity among employees is highly encouraged in the commercial bank, as indicated by mean response of 3.6 and SD of 1.04. The results also indicated that majority of employees agreed that the bank adequately supports the development of entrepreneurial skills among its employees with a average of 3.8 and SD of 1.03. Finding of the study also revealed that working environment of the bank is adaptable to all employees with diverse socioeconomic and biological features with average response of 3.9 and SD of 0.99. Majority of bank agreed that continuous learning culture among employees is highly encouraged and supported by their commercial bank. The study further indicated that employees at commercial bank are flexible to organizational changes that emerge because of the dynamic business environment. Bank employees indicated that power is decentralized flowing from individual to individual or team to team based on employee roles.

Further, most employees are loyal to their work and the bank, and shall deliver their mandate as prescribed. Most employees indicated that the bank adequately nurtures employees to suit the needs of their tasks. Results also showed that majority of the respondents agreed that at the commercial bank, employees' involvement in task management and delivery is well established with a mean response of 3.8 and SD of 1.21. Employees indicated that teamwork among employees at the commercial bank is highly encouraged and supported by the management. The commercial bank is committed to training her employees.

Bank employees noted that the rules governing work engagement in this bank were too tough for them. The policy guidelines of this bank are in tandem with the operational efficiency requirements as greed by majority of employees. Employees also indicated that bank functions smoothly with minimal operational hitches. Moreover, bank employees indicated that there are clear guidelines regarding the manner in which the banks approach certain tasks. Additionally, the results revealed that most employees were in agreement that there are clear and well-defined processes guiding the missions and visions of the bank.

Additionally, study output showed that employees agreed that their commercial bank is very competitive in co-coordinating its tasks. This was affirmed by average of 3.6 and a SD of 1.1.

Employees agreed that employees in banks are result-oriented. It was also established that a most of the employees involved in the study agreed that their bank enjoys good rapport with other banks and partners in the financial sector. It was also noted that bank encourages a healthy competitive spirit among its employees. Finally, employees agreed that the goals of the banks are well articulated to achieve optimal efficiency and profitability from its products and services. Table 4.3 shows results on employee performance.

Table 4.3: Responses on Employee Performance

Employee performance	Mean	SD
Error and Mistakes		
Some employees in this commercial bank frequently make errors for lack of attention to details	3.8	1.3
Work overload contributes immensely to mistakes made by employees in this bank	3.9	1.2
The guidance offered by supervisors to the employees is not sufficient enough	4.0	1.0
As an employee of this bank I'm not adequately motivated to work	3.7	1.4
Absenteeism		
Employees miss work at times because of ailments	3.8	1.3
Consumption of substance may make employees miss to report to work	3.6	1.2
at times lack morale of working	3.8	1.3
Sometimes I am not to meet work timelines	3.9	1.2
Output of work	3.8	1.3
I am able to set targets at work		
Employees are well provided with necessary work tools by the bank	3.7	1.1
There is timely feedback to enable employees work efficiently	3.9	1.2
Timeliness	3.8	1.3
As an employee I complete assignments within stipulated timeliness		
This management of this bank provides timely feedback on performance to enable employees assess their efficiency	4.0	1.0
Employee performance targets set are achievable	3.8	1.2
As an employee I'm able to cope with Adhoc assignments within deadlines	3.9	1.3

Results revealed that employees agreed that employees in the commercial bank frequently make errors for lack of attention to details. Work overload contributes immensely to mistakes made by employees in the bank as agreed by majority of employees further indicated that the guidance offered by supervisors to the employees is not sufficient enough. Further, employees noted that employee of the bank they're not adequately motivated to work.

Additionally, it was noted that employees miss work at times because of ailments. Employees also noted that consumption of substance may make employees miss to report to work. It was also noted that employees lack morale of working. It was also revealed that sometimes employees are not able to meet work timelines.

Bank employees indicated that they are able to set targets at work. Employees are well provided with necessary work tools by the bank. Bank employees also affirmed that there is timely feedback to enable employees work efficiently. It was also found that bank employees agreed that they complete assignments within stipulated timeliness, management of the banks provide timely feedback on performance to enable employees assess their efficiency, employee performance targets set are achievable that as employees they're able to cope with Adhoc assignments within deadlines.

4.4 Regression Analysis

Model fitness results, the analysis of variance and the regression coefficient are presented in Table 4.4.

Table 4.4: Model Result Output

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729 ^a	.530	.426	.58461

a. Predictors: (Constant), Organizational culture

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.904	1	21.904	64.091	.000 ^b
	Residual	73.481	215	.342		
	Total	95.385	216			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Organizational culture

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.286	.201		11.382	.000
	Organizational culture	.418	.052	.479	8.006	.000

a. Dependent variable: Employee performance

According to Table 4.4, organizational culture can be regarded as a satisfactory variable in explaining employee performance in Kenya's commercial banks. This fact was affirmed by the R square of .530. The results imply that organizational culture which is the independent variable in this case explained 53.0% of employee performance in banks. These findings are in line with those of Maxwell and Chukwudi (2018) who established that organizational culture significantly influences performance of employees.

Table 4.4 also presented the ANOVA results. The ANOVA output suggests that organizational culture is a satisfactory indicator of employee performance among commercial banks in Kenya. This was shown by an F value of 64.091 and a p-value of 0.000. This is acceptable because the $p < 0.05$. Organizational culture includes clan culture; market culture, hierarchy culture and adhocracy culture affect the performance of the employees within the bank. The beta coefficients of the simple regression model predict the performance of employees' growth in the commercial banks of Kenya;

$$Y = 2.286 + .418X_1$$

Where

Y = Performance of employees in the commercial banks

X_1 = Organizational culture

Based on the predictive model, organizational culture ($\beta = .418$) positively and significantly influences employee performance in banks. This regression coefficient implies that a unit change in organizational culture resulted in an increase in the performance of employees in commercial banks in Kenya by .418 units. Employees are a crucial part of any organization and organizational culture should be set up in ways that bring out the best of the employees. Good performances from individual employees will result in an improvement of the overall performance of the organization. Having a certain organizational culture means living and operating by a given set of values and encouraging other employees to do the same. Strong organizational culture gives the employees a clear sense of direction and sets everyone on the path to achieving a commonly defined definition of success. This allows the employees and the organization to grow together as a team. This concurs with the findings of Nikpour (2017) who established that organizational culture translates to an effect on their performances. Uddin, Luva and Hossian (2013) established that organizational culture can either influence the performance of the employees positively or negatively. As such, organizations should strive to have a healthy positive organizational culture has positive impact on performance of the employees.

To achieve this organizational culture, certain aspects such as teamwork, consistency, adaptability, mission and involvement are key in determining the kind of culture that has to be created in the bank. Wambugu (2014) showed that organizational culture positively and significantly influences performance of employees and the impact was bigger than organizational climate. Mbani and Datche (2016) also revealed that organizational culture

positively affects performance of employees. They established that competitive culture had the greatest impact on performance of employees compared to clan culture and hierarchy Culture.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The chapter presents the summary, conclusion and recommendations. The chapter also ends with study topic for future research based on the limitations encountered in this study. Finally, the study ends with the limitation of the study.

5.1 Summary

The chapter shows summary, conclusions and recommendations of the study. The variables of the study were organizational culture as the independent variable and the performance of

employees in Kenya's banking sector as the dependent variable. The objective of the study was to establish the effect of organizational culture on the employee performance among commercial banks in Kenya. Organizational culture in this study was presented through clan culture, hierarchy culture, market culture and adhocracy culture.

Descriptive output indicated that most of bank employees were agreeing with the measures made by banks to enhance adhocracy culture. Adhocracy culture was cultivated by encouraging creativity among employees, supporting the development of entrepreneurial skills within the employees and having a culture of continuous learning among the employees. It can also be encouraged by decentralizing power based on the roles of the employees in the organization. This culture enables the employees to operate with a certain degree of freedom and independence and this fosters innovation and creativity among employees in banking sector.

From the study results, majority of bank employees indicated that clan culture as a form of organizational culture has an effect on employee performance. Clan culture was characterized by loyalty to the bank, the involvement of employees in managing and delivering tasks in the bank and the commitment of the commercial bank to developing the capacity of its employees. Clan culture fosters unity within the organization and enables the employees to have a unified objective in line with bank plans.

The descriptive results from the study indicate that bank employees agreed that hierarchy culture has an effect on their performance. Hierarchy culture included issues such as the rules governing the engagement of work being tough, the policies of the bank being in line with the requirements of operational efficiency and the bank running without any operational hitches. Hierarchy culture is the way employees in the work place of different ranks are able to interact with each other and to do their jobs.

Finally, the study established how market culture influences the performance of employees in Kenya's commercial banks. Market culture refers to business environments that emphasize competition. The descriptive statistics reveal that majority of the bank employees agree that market culture has an effect on their performances. This culture was characterized by how the bank relates with other banks in the financial sector, how it sets and co-ordinates its tasks and encourages healthy competition among the employees as well as the commercial banks being result oriented.

The study found that organizational culture explains 53.0% employee performance among commercial banks in Kenya. In addition, organizational culture is predicts the performance of employees among commercial banks as shown by the F statistic of 64.091 and a p value of $0.000 < 0.05$.

5.2 Conclusion

Organizational culture has a positive significant influence on employee performance. Based on the regression coefficient of .418, the study concluded that a unit positive change in organizational performance results in an increase in employee performance by .418 units. Thus, the study concludes that employees are a key part of every organization and as such the organizational culture should be established in a way that allows the employees to perform to the best of their abilities. Organizational culture sets the tone and expectations on how the employees at any firm are expected to behave and interact amongst themselves and how well they can work together towards a common objective. It provides guidelines towards decision making and improves the workflow of the organization as a whole. The study found that when individual employees perform well then so will the organization

5.3 Recommendations

It was established that organizational culture is crucial in the performance of employees among commercial banks in Kenya. As such this study recommends that adhocracy culture is encouraged among commercial banks. Adhocracy culture is featured by entrepreneurial behavior, dynamism, innovativeness and creativeness at the workplace. Adhocracy emphasizes the need to be adaptable and dynamic especially in the face of constant change as is the norm in the commercial banking sector. This will enable the employees to be more innovative and more likely to come up with better solutions and ideas since they will not have to follow a set way of thinking.

The study established that clan culture is a crucial component of organizational culture. Clan culture is vital in developing human resources to offer long term benefits characterized by organization cohesion, commitment and morale that may positively impact organizational performance. As a result, the study recommends that the commercial banks encourage clan culture. This can be done either through teambuilding activities or rewarding top performing

employees within the banks. This will foster unity in the workplace and give a sense of pride and direction for the employees and the organization as a whole.

The study also revealed that hierarchy culture plays a big role in the organizational culture. Hierarchy culture is a form of organizational structure in which items are ranked according to levels of importance. In corporate firms, hierarchies depend upon structure, rules and top-down control to guide the practices and operations of the firm. Following the identified best practices and controlled processes and considerable oversight is considered key in ensuring enhanced productivity and success. The study recommends that some of the rules of engagement among employees in the banks should be loosened. This will make communication easier among employees even of different stations since some of the existing laws may hinder open and honest communication as employees may fear blurring the lines of authority.

Lastly, the study found that market structure is essential in organizational structure. Market structure is a form of organizational structure that emphasizes competition among its employees. As such, the study also recommended that banks encourage healthy competition among its employees and have clear outlines on their goals so as to push the employees to perform optimally and to achieve the banks' goals and targets.

5.4 Recommendations for Further Study

This research study focused on the effects of organizational culture on commercial banks in Kenya. Further research should be undertaken to determine the effect of organizational culture on other firms that are not primarily financial in nature. Additionally, further study should be carried out to ascertain the other elements that determine employee performance given organizational culture is only responsible for 53.0% of the variation in employee performance. Further research can also be undertaken to determine the effects of organizational culture on service delivery and banks performance in general.

5.5 Limitation of the Study

Some commercial banks were not willing to provide certain information pertaining to financial status of the bank. Nonetheless, this was remedied by informing participants that the data is meant for purposes of academic researches only. The study relied much on quantitative data collected through questionnaires from employees. Further research may combine qualitative and quantitative data to enhance the robustness of the findings.

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APPENDICES

Appendix I: Data Collection Introduction Letter

Dear Sir/Madam,

RE: REQUEST TO COLLECT DATA FOR ACADEMIC RESEARCH PROPOSAL

I am a post graduate student from the University of Nairobi. I am doing a research proposal to **“Influence of organization culture on employee performance of commercial banks in Kenya”**. Your participation in this study by responding to this questionnaire will be appreciated. All your responses will be treated with utmost confidentiality and the data collected will only be used for academic purposes.

Thank you.

Yours faithfully,

Angela Ademba

Appendix II: Questionnaire

The questionnaire aims at gathering data on organization culture on employees' performance at commercial banks. Information provided was held in confidence.

INSTRUCTIONS

Fill the questionnaire by ticking (√) where best suits.

SECTION A: BIO DATA

1. Gender; (tick) Male { } Female { }
2. Age;

Below 25 years	{ }	26 – 35 years	{ }
36 – 45 years	{ }	Over 45 years	{ }
3. Educational attainment

Certificate	{ }	diploma	{ }
Undergraduate degree	{ }	Post graduate degree	{ }
4. Which department do you work in?

Section B: Organizational culture

Please tick (√) one cell for each statement on how organizational culture influence employees' performance at commercial banks. Use the scale where **1: Strongly disagree; 2: disagree; 3: neutral; 4: Agree; 5: Strongly agree.**

Organizational culture	1	2	3	4	5
Adhocracy culture					
At this commercial bank, creativity among employees is highly encouraged					
This bank adequately supports the development of entrepreneurial skills among its employees					
The working environment of this bank is adaptable to all employees with diverse socioeconomic and biological features					
Continuous learning culture among employees is highly encouraged and supported by this commercial bank					
Employees at commercial bank are flexible to organizational changes that emerge because of the dynamic business environment					
Power is decentralized flowing from individual to individual or team to team based on employee roles					

Clan culture					
I am loyal to my work and the bank, and shall deliver my mandate as prescribed					
This bank adequately nurtures employees to suit the needs of their tasks					
Employees' involvement in task management and delivery is well established at commercial bank					
Teamwork among employees at this commercial bank is highly encouraged and supported by the management					
The management of this commercial bank is committed to the capacity development of its employees					
Hierarchy culture					
The rules governing work engagement in this bank are too tough for me					
The policy guidelines of this bank are in tandem with the operational efficiency requirements					
This bank functions smoothly with minimal operational hitches					
There are clear guidelines regarding the manner in which this bank approaches certain tasks					
There are clear and well-defined processes guiding the missions and visions of the bank					
Market culture					
This commercial bank is very competitive in co-coordinating its tasks					
Employees in this bank are result-oriented					
This bank enjoys good rapport with other banks and partners in the financial sector					
The bank encourages healthy competitive spirit among its employees					
Bank's goals are well articulated to achieve optimal efficiency and profitability from its products and services					

Section C: Employees' performance at commercial banks

To what extent do you agree with the following statements on employee performance? On a scale of: 5= strongly agree, 4=agree, 3 = neutral, 2 = disagree, 1 = strongly disagree

	1	2	3	4	5
Error and Mistakes					
Some employees in this commercial bank frequently make errors for lack of attention to details					
Work overload contributes immensely to mistakes made by employees in this bank					
The guidance offered by supervisors to the employees is not sufficient enough					
As an employee of this bank I'm not adequately motivated to work					
Absenteeism					
Employees miss work at times because of ailments					
Consumption of substance may make employees miss to report to work					
at times lack morale of working					
Sometimes I am not to meet work timelines					
Output of work					
I am able to set targets at work					
Employees have adequate access to resources that facilitate them to meet set targets.					
There is timely feedback to enable employees work efficiently					
Timeliness					
As an employee I complete assignments within stipulated timeliness					
This management of this bank provides timely feedback on performance to enable employees assess their efficiency					
Employee performance targets set are achievable					
As an employee I'm able to cope with Adhoc assignments within deadlines					

Appendix III: Top 10 Tier Commercial Banks

1. KCB Bank Kenya Ltd
2. Equity Bank Kenya Ltd
3. NCBA Bank Kenya PLC
4. Co-operative Bank of Kenya Ltd
5. Absa Bank Kenya Plc
6. Standard Chartered Bank (K) Ltd
7. Diamond Trust Bank Kenya Limited
8. I & M Bank Limited
9. Stanbic Bank Kenya Ltd
10. Bank of Baroda (K) Limited

Appendix IV: Plagiarism Report

INFLUENCE OF ORGANIZATIONAL CULTURE ON THE PERFORMANCE OF EMPLOYEES AT COMMERCIAL BANKS IN KENYA

ORIGINALITY REPORT

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