

**CROSS CULTURAL MANAGEMENT PRACTICES AND  
PERFORMANCE OF THE BANK OF AFRICA KENYA LIMITED**

**BY**

**BELINDA KATSILA AKINYI**

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## **DECLARATION**

### **STUDENT`S DECLARATION**

This research project is my original work and has not been presented for a degree at any other university.

Signature.....Date.....

**BELINDA KATSILA AKINYI**

**REG. NO. D61/64631/2013**

### **SUPERVISOR`S DECLARATION**

The research project has been submitted for examination with my approval as the student`s University Supervisor

Signature.....Date.....

**PROF. ZACHARY B. AWINO, PhD.**

**Department of Business Administration**

**School of Business**

**University of Nairobi.**

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## **BBREVIATIONS AND ACRONYMS**

<b>CBK</b>	Central Bank of Kenya
<b>BOAK</b>	Bank of Africa Kenya
<b>CCM</b>	Cross Cultural Management
<b>KPIs</b>	Key Performance Indicators
<b>GM</b>	General Manager
<b>EXCO</b>	Executive Committee
<b>KBA</b>	Kenya Bankers Association
<b>CCM</b>	Cross Cultural Management
<b>SME</b>	Small and Medium Enterprises
<b>TMT</b>	Top Management Team
<b>TRIIE</b>	Teamwork, Reliability, Innovation, Integrity and Efficiency
<b>MMT</b>	Medium Management Team
<b>MNCs</b>	Multinational Corporations
<b>MNEs</b>	Multinational Enterprises
<b>ORA</b>	Operational Risk Assessment
<b>UA</b>	Uncertainty Avoidance

## **ABSTRACT**

Increased globalization has led to the emergence of contemporary worldwide work places, characterized by cultural diversity of the workforce. This has awakened the need for Multinational Organizations to pay attention to cross-cultural management practices. In fact, it has become a necessity for managers to take this challenge by fully utilizing the potential capabilities of a multi-cultural workforce in order to achieve optimum organizational performance and effectiveness. Hence, management needs to pay strict attention to the diverse workforce. The main objective of this study was to establish the effects of cross cultural management practices on the performance of MNCs, with a specific reference to Bank of Africa Kenya, limited. The study examined the effect of managerial behavior on cross cultural management and the impact of culture on organizational performance. It purely employed primary sources of data collection. The findings revealed that managerial behaviors have effect on cross-cultural management of MNCs and also culture has impact on organizational performance. The study employed a case study research design which was considered appropriate since it enabled the researcher to conduct an in-depth investigation on the matter. Data was collected from high level managers and other respondents from various departments in the organization through an interview guide. Content analysis was applied in making inferences from the data that was collected. It was recommended that the management of various organizations should establish structures in their organization that will encourage good ethical behavior of all levels of managers and even employees as this has significant impact on the organizational performance. Also recommended was that BOA management should completely reshape the working culture that make possible the broad range of views and approaches of employees to be integrated and to define the new ways of getting work done. This will enhance the company's ability to access new markets and identify the ways of capitalizing the benefits of operating in and with diverse cultures. The major limitation of the study was that the respondents were cautious about revealing a lot of information on the strategies they use and also the decision making process by the group's head office. The scope of the study was also a limitation as this was a case study. The researcher recommended that further research should also be undertaken to determine what performance management strategies other companies in different but related industries use to build competitive advantage in so far as cross-culture is concerned. Also similar studies can be done in other banks or the Kenyan Banking industry to establish if the findings will be similar. The researcher also suggested a study to be done on several or all banks in Kenya to arrive at a generalization as it is difficult to summarize case studies into general propositions and theories. The study revealed that organizational culture is highly influential on the performance of the firm, and companies need to understand societal culture and align their internal cultures with those of the society they are investing and operating in so as to gain from the culture. The findings showed Bank of Africa, Kenya has been successful in managing the mix of cultures for organizational performance and excellence.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

With globalization, business opening to the international world has become an irresistible trend, resulting to diversity in culture at the work place. Therefore, in order to achieve organizational effectiveness, management needs to fully utilize the potential capabilities of multicultural workforce. Management practices are empirically related to organizational performance, and as such, management must take into account differences in the context of managing people when designing management practices and strategies, and always strive to emphasize practices that largely influence performance. Ewanlen et al (2012) asserts that cultural differences do affect managerial behavior and practices such as planning, organizing, staffing and controlling. In support, Donnelly, Gibson and Ivancevich (1984) affirms that culture also affects interpersonal relations as seen in negotiations, hence it is essential that being aware of cultural differences is a prerequisite for personal and organizational success.

Geertz Hofstede's cultural values framework (1980 to 2002) and Schwartz Values Framework (1994, 1999) both justify the importance of cross cultural management practices for performance improvement in organizations. Hofstede's cultural dimensions theory proposes five dimensions along which an organizations cultural values could be analyzed: individualism-collectivism; uncertainty avoidance; power distance (strength of social hierarchy), masculinity-femininity (task orientation versus person-orientation) and long-term orientation.

On the other hand, the Schwartz Value Theory discusses values at both the individual and the national level in a circular structure of values which could be summarized into two main conflicts: self-enhancement (power, achievement, hedonism) versus self-transcendence (benevolence, universalism) values and openness-to-change (self-direction, stimulation) versus conservation values (tradition, conformity, security); the tradeoff among relevant, competing values guides attitudes and behaviors (Schwartz, 1992, 1996). Schwartz asserts that values influence action when they are relevant in the context (hence likely to be activated) and important to the actor.

To understand the importance of cross cultural management practices, it is essential to grasp the concept of culture. Culture is not universal across societies hence the existence of diversities. Adler (1994) defines culture as an acquired behavioral aspect assigned to a person and his group by which the individual is identified, expressed and transmitted through symbols, distinguishing marks, its values and beliefs. This study draws its inspiration from the paradox of culture; the fact that it is both a unifying and at the same time a distinguishing factor between an individual and another, and a country and another.

Research has proven that there exists an empirical relationship between management practices and organizational performance. It is therefore conceivable that there exists a set of management practices that largely influence organizational performance. This study seeks to establish and valuate the effects of cross cultural management practices on the performance of Bank of Africa Kenya Limited (BOAK); a financial institution that commenced operations in Kenya in 2004 to offer financial services.

### **1.1.1 Cross Cultural Management Practices**

Business and corporations in recent decades have been exposed to the globalization of various cultures and philosophies. Understanding the cultural norms and behaviours of new environments, whilst showing signs of sensitivity can be the difference between success and failure of a business operating abroad (Hannagan, 2005). The combination of global orientation and local specificity requires organizational competence to manage various cultures in heterogeneous units that consist of cross cultural teams. Cross cultural management involves managing the workforce in ways that considers the differences in cultures, practices and preferences of consumers in a global or international business context.

According to Holden (2002) the key aim of cross-cultural management is to facilitate interaction. This is done by the leadership of organizations through creating an effective management framework that incorporates core competencies such as participative competence, interactive translation, cross-cultural networking and collaborative cross-culture learning within organizations (Fershtman and Weiss, 1993; Weber, 1977). The organizations must create a collaborative and learning environment for their culturally diverse workforce ( Baker, 1994; Simons et al., 1993; Maznevski, 1994; Tjosvold, 1991). Multiculturalism is embedded in the context of globalization. Globalisation has created an increased need for cross cultural research and practical advice for leaders of global organizations (House et al, 1996). Many businesses have to learn to modify or adapt their approaches in order to compete on a level in fields no longer bound by physical geography with online interactions more common in business and other situations.

In any organization, cultural diversity within teams may be due to national, societal but also organizational cultural heterogeneity. Cross cultural management practices concern the impact of culture on leadership. House et al (1996) defines leadership as the ability of an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organisations of which they are members.

Cross cultural management practices in cross cultural environments consist of the choice of effective leadership styles in changing or influencing cultures. Due to globalization, people interacting in organizational settings today are increasingly likely to have different cultural backgrounds. Multinational corporations experience an ongoing tension between the desire for consistency throughout the organization and the need to adapt management practices to local conditions. While certain practices may be preferable in a given culture, the desire for internal consistency may lead to a single set of practices being used everywhere. For example, some companies with overseas operations continue to use management practices from their home countries instead of adopting the practices used in the host country (Pennings, 1993).

Cross cultural management practices empirically relate to organizational performance, and strive to influence performance through increasing motivation. Such management practices include contingent compensation (Jenkins, Mitra, Gupt and Shaw, 1998) and transformational leadership (Yammarino, Spangler and Bass, 1993), high performance work systems (Becker and Huselid, 1998) and high involvement work processes (Vandenberg, Richardson and Eastman, 1999). Such practices highlight the vital role of motivated employees in shaping and influencing organizational performance.

### **1.1.2 Organizational Performance**

Performance refers to the degree of achievement of the mission at work that builds up an employee job (Cascio, 2006). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. It encompasses three specific areas of the firm's outcomes; financial performance (profits, return on assets, return on investments), product market performance (sales, market share), and shareholder return (total shareholder return, economic value added).

Different researchers have different thoughts about performance. Most researchers used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack 1996), while Combs et al. (2005) describe performance as the economic outcomes resulting from the interplay among an organization's attributes, actions, and the environment.

Sloma (1980) stated that organizational performance is an aggregative indicator referring to the degree of achieving organizational objectives. Chien (2004) noted the dimensions included in organizational performance, namely motivation models, leadership, organizational culture and environment, work design, and human resource management policy. Carton (1996) asserts that the essence of performance is the creation of value.

Yesley (1984) identified several factors that contribute to performance such as organization structure, knowledge, resources, strategic positioning and human process. A firm achieves high organizational performance when all these factors work together in harmony to achieve great results in terms of value delivered to customers.

Strategic Objectives; provide direction and focus, ensuring everyone within the organization is working towards the same end, hence help manage diversity by focusing on efficient use of all workers capabilities (Thornhill, Lewis, Millmore, and Saunders, 2000) regardless of cultural their backgrounds. Organizational Structure; outlines the form in which the organization will deliver its services, Business performance measures; represent the measures by which each area of the organization will be assessed, Allocation of resources and processes; the organization must wisely make decisions on where to apply the scarce resources which include money, time and effort in order to achieve its objectives.

Bennett et al. (1991) argues that organizational success depends on achieving a good fit between strategy, structure and culture. Values, Culture and guiding principles; Organizational culture must support the achievement of strategic objectives in order to draw out the best of people. Values and guiding principles must support the purpose for achievement of desired outcomes. Reward structures; may include various forms such as monetary; like bonuses on achievement of short term goals, promotions for recognition of having acquired certain skills, celebration events to recognize and congratulate team efforts, day of or leave of absence among others. Managers need to implement managerial systems that can lead cultural diversity to contribute effectively to competitiveness of the company, for organizational performance.

### **1.1.3 Cross Cultural Management Practices and Organizational Performance**

Managerial implications of cross cultural management appears to be an ensuing challenge for global firms when extending their business as a result of the rapid pace of globalization, (He and Liu, 2010). Therefore, the need for organizations to pay attention to cross-cultural management practices has become necessary following the challenges posed by cultural diversity in the workplace. Many failures suffered by Multinational enterprises generally result from neglect of cultural differences. Thus, when MNEs attempt cross-cultural management, attention should be paid to respecting different cultural values, raising cultural sensitivity, upgrading cultural consciousness, and promoting mergence of different cultures, (Ani and Camp, 1996).

Gordon and DiTomaso (1992) indicated that cross-cultural management practices with strong momentum and adaptation have a positive effect on improving the performance of a company, hence encourage organizational members with different nationalities to cooperate, explore and innovate, especially when there is a change in the working environment. Organizations can create a phenomenon of complementing or melding different cultures in cross-cultural management to enable its members to accommodate, or accept all cultures, for achievement of organizational goals.

According to Hackman (1999) and Jackson, Joshi, and Erhardt (2003), the environment or context is the place where the teams, departments and organizations evolve. As part of the management of cultural diversity, multiple devices can be set up to make the environment conducive.

Managing organizations characterized by cultural diversity has a significant impact on achieving organizational effectiveness and competitive advantages which happens to be possible only in a 'Conductive Work Environment' (CWE). These include, among others, creating cultural synergies, intercultural cooperation and even the conditions for cultural learning (Loth, 2006). Moreover skills development of all employees, the balancing of public and privacy domains and the employee recognition are also a part of organizational context where cultural diversity is on practice (Chasserio and Legault, 2009). These devices thus promote intercultural combination which is the basis for the Cross cultural management.

Cross cultural management practices focus on strategies to cope with problems of cross cultural teams, and how to effectively manage multicultural teams, for organizational performance. A strategic response to managing cultural diversity is by focusing on efficient utilization of all workers' capabilities, Thornhill, Lewis, Millmore and Saunders (2000), regardless of their cultural backgrounds.

Performance factors in terms of moral, legal, and economic values become the types of organizational goals that can be achieved by managing cultural diversity, (Cox, 1993). Cross cultural management practices empower contemporary managers with abilities to understand the depth of cultural diversity, and implement strategies to fit individual identities within the collective group to ensure a harmonious relationship in organizational framework, with an aim to achieve organizational goals.

#### **1.1.4 Banking Industry in Kenya**

The Banking industry in Kenya is regulated by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. As at December 2008 there were forty six banking and non bank institutions, fifteen micro finance institutions and one hundred and nine foreign exchange bureaus. The banks have come together under the Kenya Bankers Association (KBA), a body which serves as a lobby for the banking sector's interest's.

Over the last few years, the Banking sector in Kenya has experienced tremendous growth in assets, deposits, profitability and products offering. The growth has been mainly underpinned by; an industry wide branch network expansion strategy both in Kenya and in the East African community region, automation of a large number of services and a move towards emphasis on the complex customer needs rather than traditional 'off-the-shelf' banking products. Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market (PriceWaterHouse, 2012).

With the growth in the banking industry, banks are looking forward to vibrant years ahead as their expansion plans and diversification into new streams being top priority. Most banks today are going through transformational programs by investing in technology, leading to an increased pressure on operational expenses.

These rising expenses have seen slow growth in terms of profit growth, however, the return on those investments should be seen in a few years. Top lenders have continued to outperform and record remarkable performance, a signal of Kenya's enabling economic environment, as insinuated even by World Bank recently. Other trends seen in the banking sector today include banks' focus on investment in innovation and technology; tapping alternative banking channels, and improving operational efficiency to boost growth and gain competitive advantage.

### **1.1.5 Bank of Africa, Kenya Limited**

Bank of Africa Group began its operations in Mali in 1982 and has over the years expanded, initially in West Africa and recently in East Africa. The Group has its Head Offices in Senegal (Dakar) and Benin (Cotonou). Today, the BOA group is established in 17 countries, including; Eight BOA banks in West Africa (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Niger, Togo and Senegal), Seven BOA banks in East Africa and the Indian Ocean (Burundi, Djibouti, Ethiopia, Kenya, Madagascar, Tanzania and Uganda), one in the Democratic Republic of the Congo, and one in France, across a network of 15 commercial banks, one financial corporation, one leasing company, one brokerage firm, two investment companies, one asset management company and one Group representative office in Paris. Since year 2010, the BOA Group has been majority-owned by BMCE Bank, the second largest private bank in Morocco. BMCE Bank brings strong strategic and operational support to the BOA group, as well as direct access to the international market as a result of its presence in Europe and Asia.

Bank of Africa, Kenya Limited started as Banque Indosuez Kenyan Branch in 1981, which was later acquired by Credit Agricole Bank. It was incorporated under Kenyan law

and integrated as a subsidiary into the BOA Group network in 2004. BOA Kenya commenced operations in Kenya in July 2004, after acquiring the Kenyan branch of Credit Agricole Indosuez. Its main clientele then was purely corporate, with only a little emphasis on high-end SME's. It had only 2 branches in the major cities of Nairobi and Mombasa. Today, the bank has 39 branches in Kenya some of which are in Nairobi and the rest upcountry, targeting the corporate, SME's and even retail clients.

BOA Kenya has formerly been known as a corporate bank targeting only corporate and high-end SME clients. With the recent acquisition by BMCE Bank Morocco, the strategic focus has changed and the entire BOA group has laid down strategies to enter and compete in the retail market. The Top Management Team (TMT) believes that the future of banking is in the retail sector, and that for a bank to remain competitive, it must have its roots in the retail market.

This has been necessitated by the predictions that in the next 10 years, the future of the banks will be the retail market. BOA Kenya have had to strategize for the new market entry by introducing new products, re-alignment of the organization structure, pricing strategies for its new and existing products and aggressive marketing and advertisements among other things.

## **1.2 Research Problem**

Increasing international business, foreign direct investments, expatriates' work and any international cooperation require cross cultural understanding. Organizations striving for better performance must nurture and develop organizational culture that supports cultural diversity of its work force. (Loriann and Carol, 2007; Cox, 1994).

Work force diversity is proclaimed as an opportunity for organizations to become more creative, to reach previously untapped markets, and in general to achieve and maintain a competitive advantage (Loriann and Carol, 2007; Cox, 1994; Robinson and Dechant, 1997; Thomas and Ely, 1996).

Existing cross-cultural research has mainly conceptualized culture as a system of shared, underlying values that explain (Hofstede, 1980; Schwartz, 1994) but may also potentially vary from (House et al., 2004) behavioral practices. Another debate has centered on the multiple levels at which culture has been conceptualized to operate (Chao, 2000; Leung et al., 2005). It has been common to consider a hierarchy of levels in which lower levels are nested within higher levels, for example an individual working in a team that forms part of an organization that, in turn, operates in a specific national market.

Bank of Africa is among the commercial banks in Kenya that have embraced internationalization after having successfully opened subsidiaries in all the East African countries. In a study carried out by Routamaa & Hautala (2008) on understanding cultural differences, it was established that there are culture based stresses in the values and work goals that must be taken into consideration when venturing into business. There is the need to resolve the debate on direct and indirect relationship between organizational culture and firm performance.

In spite of the fact that some empirical studies have been carried out on the relationship between organizational culture and performance, inconsistent findings have been observed (Deal and Kennedy, 1982; Peters and Waterman, 1982; Ott, 1989; Denison and Mishra, 1995).

Previous studies have focused more on the direct relationship between organizational culture and performance (Kotter and Heskett, 1992; Daft, 2007). Hence, little is known about the indirect influence of organizational culture on performance. Deari et al (2008) conducted a study on effects of cultural differences in international business and price negotiations of a Swedish firm with operations in South Africa. The study revealed there are diverse cultural aspects such as language manners, behavior and communication that can affect international business activities.

In Kenya, several studies have been carried out on MNCs operating in Kenya. Yagan (2007) carried out a study on the relationship between organizational culture and performance of selected government corporations while Wamuyu (2002) also carried out a study on the relationship between organizational culture and human resource practice in the Kenya manufacturing industry based in the private sector, however the results may not necessarily be applicable to commercial banks. Mutiso (2012) undertook a study on multinational enterprises and host nations: contribution by coca-cola to Kenya's economy. Muthoka (2008) undertook a survey of strategy-structure relationship in multinational banks operating in Kenya.

Gichuki (2012) carried out a study on the effect of multinational Chinese firms in competition with the local firms in Kenya. Ogutu and Nyatichi (2012) studied competitive strategies adopted by multinational banks in Kenya. While scholars have devoted more attention to examining direct relationships among organizational variables, the relationship between organizational culture and performance has not been adequately explained.

As opposed to western owned firms that have subsidiaries in African countries, there is minimal study on the influence of culture on the performance of indigenous African firms and MNEs that have embraced internationalization, and operate even in Kenya. This leaves a gap that needs to be bridged. This research will try to address the gap by carrying out a study on the cross cultural management practices and their influence on performance of multinational corporations in Kenya, with a specific reference to Bank of Africa Kenya Limited. The study will attempt to answer the following question: How does cross cultural management practices influence performance in BOAK?

### **1.3 Research Objective**

The objective of this study was to determine the effects of cross cultural management practices on the performance of Bank of Africa Kenya Limited.

### **1.4 Value of the Study**

Most recent publications on revolutionary technology systems have dwelt in-depth on technology innovations and convenience they offer. This study thus contributes to the body of knowledge that exists on the various cultural differences that influence operations of MNCs in overseas branches in developing countries by finding out the challenges facing CCM and effects of its practices (a case study on the performance of Bank of Africa Kenya Limited).

The study further assists in more literature provision to the academia, supporting theoretical propositions to the academia by fundamentally contributing to further research, and act as both a reading and secondary source of material in this field of CCM.

The study also supports the formulation of policies, standards and regulations to guide the implementation of strategies such as the CCM in public and private organizations, not-for-profit non-governmental organizations and government in general. These policies will help design an implementation process that takes care of all aspects of any strategy to be rolled out, in so far as cultural diversity and performance are concerned.

Undoubtedly, Management of BOAK benefits from findings of the study by understanding the contributions of organizational culture to performance. Senior managers are directly responsible for creating and nurturing shared culture within their organizations. Therefore, findings of the study are vital in enabling BOAK management to create organizational climate that promotes emergence and development of organizational values, behavioral norms and artifacts.

The findings of this study also assist the BOAK leadership in dealing with challenges faced when carrying out implementation of any culture-based strategies. Importantly, the study aims to assist BOAK implementation team to identify obstacles to effective strategy implementation and how to address them conclusively.

### **1.5 Chapter Summary**

The labor markets of most developed as well as comparatively dynamic emerging countries are becoming increasingly multicultural and multiethnic. In these circumstances, many organizations have developed and implemented a set of strategies for dealing with multiculturalism, in order to be more efficient and competitive in the global market, as has BOA.

The managerial implication of cross-cultural management is a challenge for global firms extending their businesses as a result of rapid pace of globalization (He and Liu, 2010), this has necessitated the need to seriously consider studies in diversity management at firm level (Cox and Beale, 1997), to empower managers to implement management systems that can lead cultural diversity to contribute effectively to the competitiveness of the company. The researcher's goal in this study is to undertake a content analysis in order to understand, qualitatively, the impact of cross cultural management on competitive advantage, hence performance of BOA.

This chapter focused on Cross Cultural Management practices, it discussed Organizational Performance, then related Cross Cultural Management practices and Organizational Performance. It gave an overview of the banking industry in Kenya, before delving into a discussion on Bank of Africa Kenya, Limited. The chapter also explores the research problem, states the objective of the study, before finally giving the values of the study and outlining the key beneficiaries of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Mugenda and Mugenda (2003) describe literature review to involve systematic identification, location and analysis of documents containing information related to the research problem being investigated. This chapter presents a review of theoretical and empirical literature, which forms the basis for developing the conceptual framework and formulation of research hypotheses. It begins by reviewing theories that support the study, then provides a discussion of conceptual and empirical literature on direct and indirect relationships among variables of the study.

#### **2.2 Theoretical Foundation**

Interest in cross-cultural research and the international relevance of management theory has increased dramatically during the last two decades (Bond and Smith, 1996; Cooper and Denner, 1998; Earley and Gibson, 1998; Inkpen and Beamish, 1994; Kagitcibasi and Poortinga, 2000; Oyserman, Coon, and Kemmelmeier, 2002; Wright and Ricks, 1994). There is substantial literature that examines both the impact of national culture on management practices, but often does not test the impact this will have on performance, and the relationships between management practices and performance, yet generally omits the impact of national culture.

Many of the extant theories of culture used in managerial studies have come under considerable criticism (such as culture universals, high and low context cultures, self-reference criterion) (Jack and Desmond, 1996).

Few cross cultural studies have received as much support and praise as Hofstede's (1984) examinations of the influence cultural differences have on work-related values between the members of different societies.

### **2.2.1 Hofstede's Cultural Values Model**

Geert Hofstede has been the most influential cross-cultural management scholar in the last two decades. His (1980; 1984; 2001) research on work-related values has had a major impact on national culture research. Its goals were to understand the influence of national culture on an organization, and how to use this cultural knowledge to manage more effectively, and how to define culture more accurately. Hofstede's analysis focused on the levels of basic assumptions and values and aimed at comparing different nations on the national cultural level.

Factor analysis of attitude data at the country level yielded four distinct factors around which Hofstede constructed four dimensions: Individualism (the focus placed on the self versus the group) and masculinity (the value placed on being assertive versus being nurturing), power distance (the degree of human equality that is expected in a culture) and uncertainty avoidance (the degree to which uncertainty is tolerated in a culture) were identified through "eclectic analysis" which selectively combined items based on theoretical expectations (Smith, Dugan, and Trompenaars, 1996). A fifth dimension, "confucian dynamism" or long-term orientation versus short term orientation (the choice to focus efforts on the present versus the future), was subsequently developed by a different set of researchers in an Asian context.

The researchers sought to avoid a Western bias in identifying dimensions and is often associated with the four dimensions developed by Hofstede (Chinese Culture Connection, 1987). This cultural framework has dramatically influenced the field of cross-cultural research, resulting in numerous studies that have utilized these dimensions over the years (Hofstede, 2001; Kirkman et al., In Press; Søndergaard, 1994).

Hofstede's masculinity dimension in this study represents a preference in societies and organizations such as BOA for achievement, heroism, assertiveness and material reward for success. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life. The masculinity-femininity dimension refers to the degree to which values associated with stereotypes of masculinity and femininity is emphasized (Hofstede 1980a, 2001). On the other hand, Individualism-collectivism refers to whether individual or collective action is the preferred way to deal with issues. In cultures oriented toward individualism, people tend to emphasize their individual needs, concerns, and interests over those of their group or organization (Tossi and Greckhamer, 2004). The opposite is true in societies high on collectivism where an individual is expected to interact with members of his or her group (Brislin, 1993).

Williamson (2007) explains the uncertainty avoidance dimension as a representation of the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue as pertains this dimension, and in reference to this study is how societies or organizations deal with the fact that the future can never be known.

Societies exhibiting strong uncertainty avoidance maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas while the weak societies maintain a more relaxed attitude where practice counts more than principles. Long-term orientation dimension deals with society's search for virtue (Chui and Kwok, 2008). Societies with a short-term orientation generally have a strong concern with establishing the absolute truth. They are normative in their thinking, exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. The opposite is true for societies with a long-term orientation.

Geert Hofstede's model sheds light on the existing cultural differences in societies and organizations such as BOA, creates awareness of cultural diversity, hence giving a general overview and an appropriate understanding of other cultures, what to expect from them, and how to work, cope and behave towards groups from different cultural backgrounds; cultural sensitivity increases individual effectiveness and efficiency. The role of this mode is to help understand the influence of organizational culture on an organization's performance, and how to use this cultural knowledge to manage more effectively, for performance improvement (Hofstede, 1980; 1984; 2001).

### **2.2.2 Schwartz Values Framework**

Schwartz (1994; 1987) takes a theory-based approach to the development of cultural dimensions. The Schwartz Value Theory notable for its broader range of cultural dimensions relative to those identified by Hofstede, discusses values at both the individual and the national level, providing additional insight into differences that exist within, as well as between, cultures.

In contrast to the way in which Hofstede's cultural dimensions (Hofstede, 2001) were identified, the Schwartz framework is a theory driven approach, with a universal structure of values first identified at the individual level of analysis, and then demonstrated at the societal or country level of analysis. Schwartz's research also founded that individual values generally have a consistent structure within a country (Schwartz et al., 1987). Individual-level values are desirable goals that serve as guiding principles in people's lives. This model will be helpful in identifying these principles for individuals in BOA.

Schwartz identified ten basic motivations, represented by ten value types. His structure of values could be summarized into two main conflicts or dimensions that underlie the distribution of motivational value types: self-enhancement (power, achievement, hedonism) versus self-transcendence (benevolence, universalism) values, and openness-to-change (self-direction, stimulation) versus conservatism or conservation values (tradition, conformity, security). In the near past, this stream of research has also examined the structure of values at the country level of analysis (Schwartz, 1994, 1999). The Schwartz model will be put to test in this extensive cross-cultural research on BOA to provide support for the theorized content and structure of values.

Contributions of Schwartz's research include its theoretical approach to identifying dimensions as well as its consideration of a more comprehensive set of values relative to most culture studies (Schwartz, 1994). At the cultural level, Schwartz identified three bipolar dimensions of values that allow for comparing societies.

The embeddedness versus autonomy dimension focuses on the regulation of relationships between the individual and the group; the hierarchy versus egalitarianism dimension focuses on the regulation of responsible behavior among societal members; and the mastery versus harmony dimension focuses on the relationships between humanity and nature (Schwartz, 1994). Schwartz' approach examined values at both the cultural and individual level of analysis, providing additional insight into differences that exist within, as well as between, cultures.

### **2.2.3 The GLOBE Project**

The GLOBE (Global Leadership and Organizational Behavior Effectiveness) project is a large research program; a project that was initiated by Robert House, to examine the relationship between culturally endorsed implicit leadership theories and culture (Hanges and Dickson, 2004). It is one of the most recent studies (Chhokan, Brodbeck and House, 2007) on organizational values and cultures (Pramila, 2009).

The GLOBE Research effort was designed to explore in detail the fascinating and complex detail of culture on leadership, organizational effectiveness, economic competitiveness of societies, and the human condition of members of the societies studied (House, Hanges, Javidfan, Dorfman, and Gupta, 2004). It was designed to increase available knowledge relevant to CCM and to replicate and expand on Hofstede's (2001) work, and also to test the various hypotheses that had been developed.

Project GLOBE uses nine cultural dimensions. Three of them use some new items to examine dimensions originally developed by Hofstede: Uncertainty avoidance, power distance, and individualism/collectivism. An additional collectivism dimension was added to incorporate work done by (Triandis, 1995). Two dimensions – gender egalitarianism and assertiveness – were used in place of Hofstede’s masculinity dimension. Three additional dimensions were developed based on McClelland’s implicit motivation theory: Humanism, performance, and future orientation. These dimensions are intended to relate to McClelland’s concepts of affiliative, power, and achievement motives (House et al., 1999; McClelland, 1985).

Future Orientation is the degree to which individuals in organizations or societies engage in future-oriented behaviors such as planning, investing in the future, and delaying gratification (Shore and Cross, 2005). While, Performance Orientation refers to the extent to which an organization or society encourages and rewards group members for performance improvement and excellence, as applies even in the case of BOA. In addition, the dimension of Human Orientation is the degree to which individuals in organizations encourage and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others (House et al. 2002).

Due to its being largely based on Hofstede’s framework, the GLOBE project faces some of the same limitations as Hofstede’s Cultural Values Model of not having an underlying theory for the cultural variables (Schwartz, 1994). Many of the variables are either taken from the scales developed by Hofstede or slightly modified version of these items.

The problems associated with these limitations are compounded by the fact that the original study of Hofstede's Cultural Values Model did not examine certain countries leaving a large gap in data being used as the basis for identifying cultural dimensions (Schwartz, 1994). This model was useful in examining the inter-relationships between societal culture, organizational culture, and organizational leadership, and how these influence performance.

### **2.3 The Concept of Cross Cultural Management**

Adler (1991) defines cross-cultural management as the description, comparison and interaction of organizational behavior within countries and cultures, organizational behavior across countries and cultures; and between coworkers and other people from different countries and cultures. According to Ewanlen et al (2012), Cross cultural management is the study of the behavior of people in organization located in cultures and nations around the world. It focuses on the description of organizational behavior within countries and cultures, on the comparison of organizational behavior across countries and cultures and most importantly, on the interaction of people from different countries working with the same organization or within the same environment.

CCM mainly deals with concepts such as values, attitudes, assumptions, behavior and organizational outcomes such as motivation (Steers and Sanchez-Runde, 2002). Some other concepts employed in cross-cultural management are derived from social psychology, sociology, anthropology: cognition, perception and attributions.

As a result of the globalization of business operations, cultural diversity workforce has been on the rise, there is therefore need to pay attention to the roles and impact of cross-cultural aspect of management in organizations. Hicks and Gullet (1978) observe that a general applicability of management fundamental is culture bound, as many applications on organization and leadership are inappropriate to local situations, as the native culture and personality play a significant role in organizational success.

## **2.4 Organizational Performance and Measurement**

Performance is the execution or accomplishment of work, tasks or goals to a certain level of desired satisfaction. Sloma (1980) stated that organizational performance is an aggregative indicator referring to the degree of achieving organizational objectives. Blunt and Jones (1992), George and Jones (1996) and Zakaria (1997) argued that all organizations, everywhere, function within a specific culture, and it is becoming more widely recognized in contemporary discussions of organizational performance that managers and other organizational practitioners have to develop an understanding of their cultural settings if their organizations are to perform effectively.

Performance measurement can be defined as the process of acquiring cost and other performance knowledge and employing it operationally at every step in the strategic management cycle (Nanni et al. 1992). It is mainly underpinned by a financial perspective (Johnson and Kaplan 1987). Performance measurement is traditionally viewed as an element of the planning and control cycle that captures performance data, enables control feedback, influences work behavior (Flamholtz, Das and Tsui 1985).

In a holistic view, performance measurement monitors strategy implementation (Simons 1990) and plays a key role in the development of strategic plans and evaluating the achievement of organizational objectives (Ittner and Larcker 1998). It contributes to strategy formulation and implementation by revealing the links between goals, strategy, lag and lead indicators (Kaplan and Norton 1992, 1996) and subsequently communicates and operationalizes strategic priorities (Nanni et al. 1992).

Performance measurement frameworks basically involve four key steps; the strategic objectives of the organization are converted into desired standards of performance, metrics are developed to compare the desired performance with the actual achieved standards, gaps are identified, and improvement actions initiated. Performance measurement systems could be employed as a means of increasing flexibility as opposed to control in organizations, if analyzed in terms of antecedent factors including organizational life cycle, management style, strategic orientation, organizational structure and environmental uncertainty (Nanni et al. 1992). Moreover, performance measurement also impacts on managers' decisions and behaviors, organizational change, innovation and organizational learning. Performance management is largely affected by the cultural backgrounds of the countries in which the firms operate.

According to Hazing and Pinnington (2011) drastic deviations of the cultural values of the host country and the operating countries can affect the management approaches, organisation's philosophy and the employees' attitudes and reflections over their management impacting the individual and group performance.

For instance the cultural dimensions would affect the working hours, wage patterns, appraisal systems, motivation and etc with relating to the employee performance and management. In cross cultural settings, skills performance elements are the dimensions of overt manifest behaviour that allows employees to perform competently including the interpersonal skills and communication skills (Harris and Moran, 2000). According to Whitener and Stahl (2004) and Rosen et al. (2000) these skills include effective cross-cultural communication, the ability to accurately identify and successfully negotiate cross-cultural conflicts, foreign language ability, creating and building trust and the ability to adapt management style to divergent situations.

Other variables of expatriates' cross-cultural effectiveness included the variables that have the potential to influence expatriate intercultural effectiveness. Indeed, as per Kraimer et al. (2001) some of these variables have been explored in relation to expatriate adjustment and their role in the context of the expatriates' cross-cultural management and performance. With the exception of linguistic ability, educational qualifications and intercultural experience, the demographic variables such as gender, age, and nationality have been identified as out of the managers' control.

## **2.5 Impact of Cross-Cultural Practices on Organizational performance**

Denison and Mishra (1995) note that an important factor influencing the challenges, understanding and interpretation of the appraisal process, its development, implementation, and other appraisal related elements and functions in Organizations, is related to important organizational outcomes such as performance.

Brooks (2006) states that cross cultural management practices enables managerial ability to analyze organizational behavior which translates into superior corporate performance. Cross-cultural cultural management practice help employees to understand organizational event, and employees can communicate more efficiently and effectively thereby, reaching higher level of cooperation with each other because they share common mental models of realities, (McShane and Glinow ,2005).

Jones (1996), cited in Aluko, (2003), suggests that the reliability of cross-culture and organizational performance encourages the identification of relevant determinants of organizational performance. Zakaria (1997) cited in Aluko (2003), contends that one of the relevant determinants of organizational performance is employee behavior, which is determined by some cross-cultural factors such as the family background, beliefs and religion, values, attitudes and perception of work, commitment to work; norms and collectivism versus individualism, and these have positive impact on workers. According to Aluko (2003), when workers exhibit positive work values and attitudes in organization, this will reduce the incidences of lateness to work and absenteeism, labour turnover are very low, the level of commitment to work is relatively high.

Also notable will be the premium and emphasis placed on the achievement of power, wealth and prestige makes the workers more effort at work Ojo (2009) emphasizing the impact strong powerful culture has on organizational performance. Accordingly, strong culture firms are said to generate an almost tangible social force field of energy that empowers employees and drives the organization towards superior performance.

Saffold (1988) cited in Ojo (2009), have connected strong shared values with commitment to self-confidence, ethical behavior and reduced job stress. On the hand, Barney (1986, 1991) argues that for firm's culture to provide sustained competitive advantages and thus by implication, be source of sustained superior financial performance, certain conditions must be fulfilled; the culture must be valuable, it must enable a firm to do things and behave in ways that lead to high sales, low costs high margins, or in other ways add financial value to firms.

## **2.6 Empirical Studies and Research gaps**

The literature on national culture is rich and much of it is founded on the claim that it is linked to organizational performance. Popa (2012) presented a study on the relationship between culture and performance which led him to conclude that employees' attitude towards work is influenced by both organizational culture and style of management. A further study was done by Alajmi (2011) presented results showing that the differences in national culture of power distance and uncertainty avoidance have an effect on service provision through service delivery gaps in terms of information flow, style of management, control, communication policy, specification driver and boundary system.

A study by Eren-Rein et al (2004) demonstrated how a multinational company that acquired an Israeli company that develops and produces medical instruments changed organizational culture of the acquired company. The study identified a cultural gap between the two companies, with the Israeli company being higher on the cultural dimensions of attention to detail and conformity to rules and standard as compared with the acquiring company.

Another study revealed that the only variable that had a purely direct effect on performance was innovative culture; Lllies (2008), while competitive culture had both a direct and indirect effect on performance. On the other hand, Taras (2011) study suggested that companies that make even moderate adjustments to selection, training and work design systems based on national cultural value differences in a normally functioning organization are likely to yield 10-20 percent improvement in performance, translating into several million dollars of additional revenue annually.

Schwartz (1994) has identified seven cultural-level dimensions of values; conservation, intellectual autonomy, effective autonomy, hierarchy, Egalitarian, commitment, mastery, and harmony, which have been used to predict cultural differences, including focus on control and work-related issues, such as the sources of guidance that managers relied on, and capital structure have identified two cultural-level dimensions from an analysis of managerial values. Studies from both the field of anthropology and management science have concluded that most human behavior is mediated by culture (Hofstede, 1984).

Nevertheless, there are a growing number of scholars who are becoming disconnected with this notion, instead advancing the argument that cultural differences are overrated and insignificant. Furthermore there is little evidence to illustrate the impact of culture on international business. A growing number of studies suggest that culture does not pervade all aspects of beliefs and values that the individual possesses, thus contributing to the general argument that cultural influences are limited (Markoczy, 2000).

Ralston et al (1999) also offer empirical evidence to suggest that there is a new generation of Chinese manager who is individualistic and more likely to act independently (albeit while not forsaking their confusion values) in what is a culture of managerial values, content that being a manager is a way of life that transcends a country's cultural values. Triandis (1988) argued that this in-group concept is considered significant in collectivistic cultures, in which the needs, goals and beliefs of the in-group often take precedence over those of the individual. Hofstede and Triandis (1994) in a collectivist culture like the Chinese, people emphasize fitting in with and belonging to the in group, and they focus on 'we' identity.

## **2.7 Chapter Summary**

CCM requires a type of organizational culture in which all employees pursue their career unimpeded by gender, race, nationality, religion, or other nonissue or irrelevant factors to performance (Bryan, 1999). Managing workforce diversity is associated with competitive advantage and begets an organization benefits such as better decision making, greater creativity and innovation, greater success in international business ventures and activities, and even with local ethnic communities (Cox, 1991; Cox and Blake 1991).

This chapter highlights the importance of managing cultural diversity in BOA in order to reap from the skills of the workforce, thereby enhancing competitive advantage. According to Chasserio and Legault (2009), competitive advantage is measured in terms of an individual's level of creativity and innovation in the organization.

This chapter presented an overview of the relevant literature that covers relevant research areas. The research drew material from several reference sources related to the theme and objectives of the study. The chapter begins by giving a review of the theoretical foundation, then discusses in detail Hofstede's Cultural Values Model, Schwartz Values Framework, and the Globe project. It delves in-depth on the concept of CCM, organizational performance and measurement, and Impact of cross cultural practices on organizational performance, then finally tackles empirical studies and research gaps.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter deals with details on how the study was conducted. It covers the research design, population and sample size, data collection methods and data analysis techniques that generated the reported research findings.

#### **3.2 Research design**

A case study design was adopted in examining the effects of cross cultural management practices on performance of firms with a specific focus on Bank of Africa Kenya Limited. Kothari (1990) describes a case study as a form of qualitative analysis that involves a careful and complete observation of a social unit. A case study is most appropriate where a detailed analysis of a single unit of study is desired as it provides a focused and detailed insight to a phenomenon that may otherwise be unclear (Mugenda and Mugenda, 2003).

Case study has been a common research strategy in business (Ghauri and Gronhaug, 2002) and community planning. The distinct need for case studies arises out of the desire of the researcher to understand the complex social phenomena. Case study method also allows the researcher to retain the holistic and meaningful characteristics of the real life events such as individual life cycles, organizational and managerial processes (Robert, 2002).

### **3.3 Data collection**

The study mainly focused on primary data collection method to obtain data directly from the respondents through personal interview, as this allowed for further probing to gain more insights into the problem under study.

Personal interview guides have been particularly effective in obtaining accurate data, as supported by Cooper and Schindler (1998) who argues that personal interview guides enable in-depth and detailed information to be obtained. Kvale (1996) regarded interviews as an interchange of views between two or more people on a topic of mutual interest, sees the centrality of human interaction for knowledge production, and emphasizes the social impact of research data.

The interview guide was considered appropriate for this study since there is need to gain an in-depth understanding of the cross cultural management practices and their influence on performance of BOAK and this can only be achieved by conducting interviews.

The case study targeted to have a one-on-one interview with nine respondents using an interview guide; The deputy managing director, GM credit and control, GM business development, head of human resource, head of finance, head of operations, head of audit, head of compliance and head of retail since they are the people involved in the strategic plan formulation and are tasked with implementation, and who have taken the lead position on the execution of internationalization and CCM strategies.

The study also focused on eight (8) staff in various top managerial and middle-level management positions, as well as lower levels. This is because the function heads have a strategic view of CCM strategy, while the rest of the staff are the implementers of the CCM system, and are thus better placed to provide fast-hand experiences, including challenges. The lower level teams were particularly useful in providing a more realistic experience.

### **3.4 Data analysis**

Collected data was purely qualitative data, and was analyzed by conceptual content analysis. Content analysis is a technique for making inferences by systematically and objectively identifying specific characteristics of data collected, drawing deductions from the data and then using the same to relate to trends ( Nachmias and Nachmias, 1996). Kothari (2004) also explains content analysis as the analysis of the contents of documentary and verbal material and describes it as a qualitative analysis concerning the general import of message of the existing documents and measure pervasiveness.

The main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon (Mugenda and Mugenda, 2003). Kothari (2000), affirms this, stating that content analysis uses a set of categorization for making valid and applicable inferences from data to their context. The decision to use content analysis was based on Mugenda and Mugenda (1999), who observed that this method is appropriate for case studies because the researcher provides a systematic description of the composition of the objects that comprise the study.

Weber (1985) defines content analysis as a research methodology that utilizes a set of procedures to make valid inferences from text. Hence content analysis is considered as the most effective type of analysis for this study.

The data obtained from respondents was divided logically using qualitative analysis to facilitate proper interpretation. The researcher applied a systematic, theory-guided approach to text analysis using a category system which ensured a more qualitative text interpretation. Inferences were made, conclusions drawn before comparing the same with the literature review for congruence or incongruence. The comparisons were then discussed in detail in subsequent chapters to establish the relationship of the summarized and inferred data with both the topic and the literature earlier reviewed.

### **3.5 Chapter Summary**

This chapter discussed in detail the methodology for the study, and highlighted the research design. It looked at the tools to be used in gathering data, procedure used for collection of data, and data analysis.

As a pre-requisite to the fourth chapter, this chapter underlines the research framework and credits the results and findings of the study. Means of data collection for the research has been detailed in this chapter, and also the data analysis technique used to draw conclusions on the findings elaborated.

## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the analysis of data collected from the interviews conducted, findings and discussions. The interview guide had questions that addressed the objective of the study in line with the goals set out to be achieved. The researcher targeted 17 interviews in total but managed 15 successfully. This was 88.24% success rate. The researcher administered interviews to the Deputy Managing director, GM credit and control, IT Regional manager, head of human resource, head of operations, head of audit, and head of retail since they are the people involved in the strategy formulation and are tasked with implementation, and take the lead position on the execution of such strategies. Also interviewed were four high level managers, two officers and two assistants. The findings from the study are discussed next.

#### **4.2 Background information and Demographic profile of BOA Respondents**

The study investigated the background of the respondents on the basis of their past and current positions held, their role in strategy formulation and the period in years the respondents had worked in BOA. All respondents had different positions, experiences, age, gender and cultural background. The research revealed that the majority of the respondents had attained at least a bachelor`s degree and above, accounting for 93.3% of the respondents. Only one respondent had a diploma. 6 had bachelor`s level degree, while 8 had attained a master`s level degree. All of the management level respondents had attained at least a bachelor`s degree.

This level of education was important in strategy formulation, implementation and management, and it was assumed that the higher the education level, the better the leadership skills and styles practiced by leaders and the greater the magnitude of their influence to their subordinates. The research also revealed that most of the senior management had been at the bank for at least two years; long enough to have experience pertaining to BOA cross cultural management practices.

#### **4.3 Engagement in Objectives, Goals and Strategy Formulation**

All respondents confirmed familiarity with the bank's strategic plan and their various roles in implementation. The study revealed that those involved in strategy formulation, setting of goals, objectives and milestones were largely from middle level management and above, while those indicating otherwise were from a lower management level and below. Clearly, formulation of strategies, setting goals, objectives and milestones is a preserve of the middle level management up, but the outcome is cascaded accordingly to the rest of the organization for execution. It was important to involve employees not involved in strategy formulation, since they are the real hands-on users of such a strategy, which is implemented normally by lower cadre employees.

The research also established that all heads of departments, with the assistance of senior managers, were tasked with implementing the bank's strategies in their respective departments. They are primarily tasked with creating unity of purpose and ensuring all members shared in the common vision of the bank. All the respondents however did indicate that they set goals, objectives and milestones in their areas of operations; this makes execution easy since the exercise is both participatory and clear.

#### **4.4 Employee relationships and level of involvement**

Throughout the interviews one major aspect which was continuously brought up by each and every interviewee was the focus on group decision making and group discussions which they acknowledged are part of the organization culture. Most of the higher level management respondents highlighted that they get their subordinates involved in the decision making process and consider their suggestions before making any final decisions.

Generally, on the level of subordinates' involvement in the bank, most of the respondents emphasized on trying to create a friendly and supportive working environment by getting their subordinates more and more involved in the different processes. Respondents confirmed the existence of a 'good and free', cordial, and friendly working environment, where the open environment allows for discussion of all issues and problems, with decisions made in sort of a "democratic way". The research revealed that supervisors delegated more responsibilities, and worked towards creating an open door policy for subordinates. Indeed, leadership is flexible in BOA, as confirmed by respondents.

The study also revealed that employee involvement in different activities is a useful tool that has been used to improve the current working environment in BOA, since they are the hands-on individuals who have the relevant expertise and knowledge. Employee suggestions are considered through consultation, where different opinions are collected, however, the management team makes the final decision.

To summarize, based on the empirical findings, we can deduce that members of the management team are adopting mainly a consensus approach as employees are usually at the centre of discussion and decision making process. Nevertheless, it is worthwhile to note that the extent to which they are involved is limited as it is always the management team which has the final say.

#### **4.5 Control, Monitoring and Performance Evaluation Approaches by BOA**

According to findings by the researcher, BOA used various approaches to control, monitor and evaluate the effectiveness of employee work and performance, which in turn translated into performance of BOA. The bank has in place short term objectives which are tied to the long term objectives of the strategic plan. The EXCO has meetings every fortnight where the heads of departments report on the progress of their respective departments and how far they are with implementing the chosen strategies. The respondents all had faith in the review process which happens regularly in a bid to check on the progress of implementation vis-à-vis the challenges.

The study revealed that management also has a trend analysis in place established through audits to monitor strategy implementation to check deviations or non-conformance, and non-adherence to set objectives. Audit findings are analyzed and feedback given to improve the processes in the strategy and process implementation exercise. Throughout the interviews most of the interviewees related to the highly process and rules oriented organization which they perceive BOA to be.

On monitoring procedures employed by BOA, the study revealed that BOA has strict procedures where, there is in place a Performance Management tool, with objectives set and signed off by all level employees in advance of set review periods. Also, objectives set are monitored and checked regularly against tasks that need to be completed, by narrowing down the objectives into KPIs that will measure how the team is proceeding. From the interviews, it was noted that there exists a performance oriented environment in BOA. A lot of focus was made on the number of Key Performance Indicators (KPI)s which they need to achieve and are closely monitored. These KPIs are set depending on employee job descriptions, and are signed off by all employees in advance of a review period. This allows to clearly assess which ones are being achieved and those not being achieved. This way it is possible to identify existing gaps and work towards improvement, also take corrective actions if need be.

The study also revealed that periodic management reviews are carried out, to obtain user feedback and performance appraisals in consultation with the lead team leaders. Any support required is evaluated and approved accordingly during these sessions, which sometimes brings together a larger group of implementers and users to share their experiences. Operational Risk Assessment is done on a timely basis to monitor and evaluate challenges associated with processes implementation, that would affect work and employee performance. These include secure network, system availability, budgetary conformance and meeting of the set timelines.

In summary, it is clear that there is a lot of emphasis on the provisions of guidelines and rules as exercised in BOA in order to implement the tasks. Great importance is placed following those rules, in order to avoid operational risks that may arise due to non adherence, as this would event impact performance of BOA. We can deduce that much emphasis is placed on promoting a highly competitive and goal oriented environment in BOA. In addition to the highly competitive environment which seems to be prevailing we have noticed that efforts are also being made to provide the required support to subordinates. This will go a long way in improving performance of BOA.

#### **4.6 Perception of BOA's Culture and its Operations**

The culture of a firm is an integral part of its operational structure and performance and influences most of the firm's strategies. The study looked at the influence of BOA's culture on its different areas of operations and the outcomes of the study are as presented below.

The research findings revealed that only 6 or 40% of the respondents are of the opinion that men usually solve problems with logical analysis, and women with intuition, where as 9 of them, 60%, indicating that the notion is not true. This implies a culture that does not discriminate between men and women, where all genders have equal opportunity. This is in line with Hofstede's Masculinity versus femininity dimension that refers to distribution of emotional roles between the genders, a fundamental issue for any society or organization to which a range of solutions are found.

Most of the respondents were of the view that persistence of cultural diversity does influence business outcomes in BOA to a great extent .It was also observed that cultural differences have work-related values between the members of different societies ranging from results oriented, teamwork, concern for competency, concern for learning and concern for feedback, as aspects that would influence employee work, performance and effectiveness, and in turn the performance of BOA. Interestingly, research also revealed that individualism is also enshrined in BOA's employees. In as much as team work dominates, respondents asserted that individual goals and interests are almost equally important.

Organizational culture plays a vital role in CCM by considering each particular culture as an asset to align organizational objectives and strategies. However, organizational culture can also prevent a company from meeting competitive threats or adapting to changing economic and social environments that a new strategy is designed to overcome. According to Johnson and Scholes (2002), social processes can also create rigidities if an organization needs to change their strategy.

The benefits of a good culture and strategic fit is that supportive cultures shape the mood and temperament of the work force positively affecting organizational energy, work habits, and operating practices, which reflects in organizational performance. It provides standards, values, informal rules and peer pressures that nurture and motivate people to do their jobs in ways that promote good strategy execution. The research revealed that BOA culture promotes a conducive working environment, that allows employees to work and socialize freely, promoting employee efficiency and effectiveness, hence better performance.

The study revealed that BOA has a good strategy - supportive culture that strengthens employee identification with the company, its performance targets, and strategy. The study affirmed that corporate culture has a strong impact on business performance and employee satisfaction, as a good culture can support innovation, risk and customers focus. Respondents indicated that, in the spirit of TRIIE, the value spirit is the common and dominant factor. At all times, Teamwork, Reliability, Innovation, Integrity and Efficiency, drives BOA.

Organizational culture is influenced largely by management practices and leadership styles where processes of decision-making influence employees' level of empowerment and hence influence interaction towards a specific way of doing things, as revealed by this study. Company policies guide management and all employees on how the company manages its employees, ranging from sourcing and selection policies to rewards, development and promotions. How the company adheres to such policies also determines the organizational culture, that in turn influences it's performance.

From this research, respondents of both genders have affirmed that BOA acknowledges the need of employees to feel that their contributions are important. Without these feelings of importance, they will only turn inwards, increasing the risk of resistance and sabotage. This is where organizational culture plays a critical role and hence contributes greatly to success of organizations. Corporate culture, though often resistant to change, can indeed be changed with proper communication and management.

All respondents agreed that Objective information sharing in BOA could significantly reduce employees stress and increase their effectiveness at work, and without a doubt influence work and employee performance, thus improve performance of BOA.

#### **4.7 Influence of Leaders' Cultural Background**

The research findings revealed that 10 or 66.7% of the respondents were of the opinion that a manager's cultural background impacts on the leadership styles they practice, with only 5 of them, 33.3%, indicating otherwise. Culture influences our behavior and to some extent, this manifests itself even in the way one's leadership styles compares to that of other individuals in the same positions.

The emerging aspect of whether the cultural backgrounds of the interviewees really have an impact on how they behave and lead could not be ignored. The selected respondents belonged to different cultural backgrounds. The study revealed that most respondents were of the view that managers with different cultural background have different leadership approaches and this is very much visible within BOA. Interestingly, respondents affirmed the notion that cultural background influenced leaders' way of working and this was obvious in the way they interacted with subordinates, however, they agreed too that individuals should not be rigid, but flexible to adapt. The tradeoff among relevant, competing values guides attitudes and behaviors (Schwartz, 1992, 1996) is important as values influence action when they are relevant in the context (hence likely to be activated) and important to the actor.

In the line with the above findings, specific highlights have been made over the way that the cultural background of the managers has an impact over the way individuals perceive, react and do things within the organization. Indeed, this frames their behaviors and has led them to embracing specific way of behaving, as per the BOA culture, in line with set objectives for better performance.

An in-depth analysis revealed that respondents belonging to different cultural background have a tendency to apply leadership behaviors which are concurrent to their cultures and where they originally belong to. Specifically, by interviewing respondents from different cultural backgrounds, the researcher can claim that each respondent demonstrated some distinct characteristics which frame their behaviors and ways of doing things within BOA. However, there are also common behaviors which seemed to be prevalent among all the respondents interviewed, like the need to involve employees in different processes, promoting a friendly working atmosphere and other aspects which accordingly have been framed by following the organization's guidelines and usual ways of doing things.

#### **4.8 Discussions**

BOA constitutes a culturally diverse workforce, from whom the respondents of this study were selected. The researcher found that majority of the respondents affirmed that individuals in BOA teams sacrificed self interest for the team, even sticking with the group through difficulties and challenges.

This is in relation to the cultural dimension of individualism-collectivism, which influence cross cultural management practices. Individualistic culture is attributed to a loosely knit social framework in which people emphasize only their own interest and individuals are offered large amount of freedom as compared to collectivism culture which describes a tight social framework in which people expect others in groups to look after them when in need (Hofstede, 1980).

Jung and Avolio (1999) argued that in individualistic cultures, managers are more prone to adopt a transactional leadership style whilst collectivist cultures have shown a preference for transformational style where, subordinates are involved through consultation in the decision making process. We can therefore deduce that collectivism dimension of culture clearly manifests in BOA, of this study. Similarly, in a study undertaken by Bochner and Hesketh (1994) in a large, culturally diverse Australian bank they found that persons from individualistic cultures reported significantly less likelihood of working in a team rather than alone compared to persons from collectivistic culture.

Masculinity-Femininity also referred to as quantity versus quality of life is another cultural dimension. According to Hofstede (1980) masculinity cultures emphasize the quantity of life and value acquisition of material possessions thus fewer performance – contingent records to produce higher performance in work units. On the other hand feminine cultures are characterized by cooperation at work, good work relationships across all levels of management, team work and consultation, promotion by merit and greater preference for smaller firms, as is demonstrated in the case of BOA.

Feminine management practices emphasize the quality of interpersonal relations and quality of working life issues (Newman, 1996). Bjerke and Al-Meer (1993) revealed that the feminine societies place a great deal of emphasis on concern for others and a friendly relationship among people. There is low stress in the work place because workers are given a great deal of freedom and thus employees are motivated (Abudu, 1986).

In a study undertaken by Adsit et al. (1997), they found that in femininity cultures, managers were more prone to display behaviors which emphasized cooperation and good working relationships. On the other hand, they also found that in masculine culture, there was higher emphasis on promoting an assertive, challenging and highly ambitious working environment. From the interviews conducted on BOA employees, the findings clearly reveal that femininity prevails over masculinity.

Uncertainty avoidance (UA) is another dimension that Hofstede (2001) put forward in relation to understanding culture. The world is dynamic and changing, the future is unknown and it will always be. Uncertainty avoidance explains how society members behave in the state of uncertainty. Indeed, as argued by Offermann and Hellmann (1997), managers from high uncertainty avoidance culture are perceived to adopt behaviors which are more controlling, less delegating and less approachable than managers from low uncertainty avoidance culture. A strong uncertainty avoidance society seems to structure social systems with order and predictability given a preference, rules and regulations dominate (Hofstede, 1980).

Countries and Organizations with low UA have employees more tolerant to organizational change and more willing to take risks compared to employees from high uncertainty avoidance culture. From this research, we note that respondents affirmed the existence of a strong theoretical relationship which exists between perceptions of uncertainty with aspects of decision making and policy formation. (Hmieleski and Ensley, 2007) states that relationship between UA and leadership behavior in organizations is more often than not likely. BOA exudes a low UA.

Power distance as a cultural dimension is one of the most influential variables used in dictating the leadership behaviors and styles prevailing across different cultures. Individuals differ in terms of their physical and intellectual attributes. This creates a significant difference in their maternal possessions and power in the society. Hofstede (1980) defined power distance measure of the extent to which a society accepts the fact that power in institution and organizations is distributed unequally. It patterns on how culture deal with inequality on its operations, Blunt and Jones (1986) argues that Kenya is a high power distance country and it has norms, values and beliefs which assume that people in the society have them station in life thus inequality is acceptable.

High power distant culture has their organizations set by hierarchical decision making systems and employees are mainly fearful of their seniors; titles, ranks and status are highly regarded in such a culture. In Kenya Kamoche (1992) argued that there is a sense of “them and us” between superiors and subordinates.

This creates a dependency syndrome thus managers find it difficult to delegate to their subordinates or involve them in decision making process (Kamoche, 1992). This study revealed that BOA culture enhances a working environment that reduces power distance by involving subordinates in most processes, including decision making.

For effectiveness and enhanced performance, an organization must eliminate rules and policies that hinder the change and create new ones that reinforce the desired way of operating, develop goals and measurements that reinforce the desired change, and replace old ways of doing things that reinforce old ways with new customs and norms. Only this way will value be created. Carton (1996) asserts that the essence of performance is the creation of value.

The characteristics of teams as described by Katzenbach and Smith (1993) are that teams are the basic units of performance for most organizations. They meld together the skills, experiences and insights of several people. Teamwork applies to the whole organization as well as specific teams. It represents a set of values that encourage behaviors such as listening and responding co-operatively to points of view expressed by others, giving others the benefit of doubt, providing support to those who need it and recognizing the interests and achievements of others. Teams outperform individuals acting alone especially when performance requires multiple skills, judgments and experiences. Teams are flexible and responsive to changing events and demands as is often experienced even in BOA.

High – performance teams invest in much time and effort exploring, shaping and agreeing on a purpose that belongs to them, both collectively and individually, (Triandis,1988) and ( Hofstede and Triandis, 1994). They are characterized by a deep sense of commitment to their growth and success. It is evident from the research that BOA culture encourages teamwork and the formation of teams as a strong culture is one in which employees work together effectively, share the same values, and make decisions to meet the organization’s primary goals and objectives.

BOA Management understands that it must cultivate a creative corporate culture that transcends the ability to capitalise on emerging opportunities, and begin to create and exploit opportunities in the global marketplace. Argyris (1992) proposed that organizations do not perform the actions that produce learning; it is individual members of the organization who behave in ways that lead to it. However, organizations can create conditions which facilitate such learning. The way in which learning takes place is affected by the context of the organization and its culture.

Corporate culture plays a critical role to success of organizations. Bennet et al. (1991) argues that organizational success is dependent on achieving a good fit between strategy, structure and organizational culture. This can be achieved through providing clear, consistent, factual and up to date information in several ways will increase the coping abilities of employees as well as their involvement in any change process.

The communication plan must share the vision, mission, goals, and values, nature and progress of any change process and their anticipated benefits, new structures, performance measurement and reward for good performance to enable employees share in the achievements, for motivation. The researcher found that organizational culture is key and leaders should set values that create that climate for the company, as argued by Weinrich and Koontz (1993).

An understanding of cross cultural influence on managerial behavior and practices does not imply that a leader must embrace all of a culture's beliefs and behaviors. Neither does it imply that they must change their values, or indulge in cultural practice that they disagree with, but that leaders should use their knowledge of others' culture to understand why they do 'their' things the way they do ( Weinrich and Koontz, 1993). This understanding can lead to more positive and productive relationships within organizations, by creating tolerant working environments that would boost performance.

#### **4.9 Chapter Summary**

This chapter provides the data analysis, presentation and interpretation of results of the study in the research methodology. It presents the research findings and the subsequent discussions, taking cognizance of the pre-stated objective of the study; to establish the effects of CCM practices on performance of BOA. This chapter also discusses the findings in comparison with the relevant theory and literature as established by other authors in the field of CCM.

Data was collected through a structure interview guide specifically designed to obtain relevant data to the research objective, then analyzed through content analysis. Content analysis was used for data analysis in this study since the use of an interview guide as a data collection instrument yielded qualitative data.

This chapter covered background information and demographic profiles of respondents, engagement in objectives, goals and strategy formulation, employee relationships and level of involvement, perception of BOA's culture and it's operations, and finally the influence of a leader's cultural background on the leadership styles they practice.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the data summary of key findings, conclusions and recommendations of the study based on the findings. The chapter incorporates the various suggestions and comments given by the respondents in the interview. Findings have been summarized in line with the objective of the study, conclusions have been drawn from the study and the recommendations for action are also given. This chapter covers Introduction, summary of findings, conclusion, recommendations for both the research and for the policy and practice, limitations of the study and suggestions for further study.

#### **5.2 Summary**

The researcher targeted to conduct a total of 17 interviews but managed 15 of them successfully. The interview guide contained questions that addressed the objectives of the study. The research sought to establish the effects of Cross Cultural Management practices on the performance of Bank of Africa, Kenya Limited. 12 of the 13 respondents had an education level of bachelor`s and above, while only one had a diploma.

60% ( 6 out of 15) of the respondents were directly involved in the process of strategy formulation, setting goal, objectives and milestones, while 6 of them, 40%, were not involved. It was important to involve employees not involved in strategy formulation, since they are the real hands-on users of such a strategy, which is implemented normally by lower ladder employees.

Achieving a result of 60% against 40% of respondents as part of the team involved in strategy formulation corresponds to the research objective, as those involved in formulation of strategies, even cross cultural management practices are mostly top tier management. The decision to include top tier managers and their direct reports was very deliberate, given the need to identify leadership behaviors and other management practices where the actions of a specific leader could be rated. It was also important that such a leader have a clear responsibility over a distinct part of the organization where their influence could be exerted and where a measure of performance could be identified. For these purposes, interviewing these managers provided an ideal sample.

Notably, culture influences a wide range of business activities, and performance of any organization. Typically, this study has touched and elaborated on the different cultural dimensions, and how they have been used to assess leadership styles and behaviors of BOA as concerns Cross Cultural Management. From existing literature review, it has been found that directive leadership style is widely spread in countries classified as high power distance cultures that are more status conscious whilst in low power distance culture there is a preference for participative, supportive or achievement oriented leadership behaviors and styles (Hanges and Dickson ,2004). Specifically, participative and supportive leadership approaches were seen to be mostly prevalent in the case of BOA. To some extent, it is true that there is rigidity in following guidelines and rules, monitoring system and decision making processes in place in BOA. The leadership in BOA is also highly structured with a top down approach which highlights the influence of the directive leadership style typical to high power distance cultures.

In the case of MNCs, business competition from a cultural perspective has become more challenging. Once a cross-cultural framework is developed, multinational firms can achieve more flexibility, which enhances competence. This can be achieved by embracing flexibility, where new and different strategies can be adopted for strategic fit, competitive advantage and performance improvement and enhancement. The trend of globalization of the economy has brought with it high uncertainty, that faces all international companies, BOA included, requiring that all related corporations be more sensitive to cross-culture, identify, train and more creatively transition to match the economy. Hannahan (2005) asserts that the difference between success and failure of a business operating abroad arises from an understanding of the cultural norms and behaviors of new environments, and sensitively transitioning to match them.

### **5.3 Conclusion**

A person's culture strongly influences his or her beliefs about how the world works and how people should interact, also values – what people consider most important such as family or personal life, religion and career which influences their performance in workplace and in turn affect the performance of the organization, as insinuated by (Schwartz, 1992,1996). An organization can reap the benefits promised by a cultural diverse workforce through incooperating and enhancing culture that is open and tolerant of different cultures, by fostering an inclusive environment where managers welcome the many differences that distinguish their employees, despite their cultural backgrounds.

Cultural diversity is a major consideration of cross cultural management. The impact of culture and diversity varies with the type of environment and the firm's overall strategy. Cultural differences can be utilized as a source of competitive advantage by MNCs such as BOA. The management of BOA should therefore identify and consider the general cultural implications on job performance of its diverse workforce. For practicing managers, a major implication of this research is the need to develop a more fine-grained view of the impact of culture. Managers have long been cautioned against using cultural dimensions as personality tests, a dynamic referred to by Hofstede (2001) as the ecological fallacy.

Based on the study it can be concluded that the findings have indicated that indeed, there are significant effects of effective performance of the MNCs from the cross cultural management strategy and the performance management strategy. To conclude, this study is essential for companies trying to internationalize, for top management of those companies to define the kind of approach to be applied in an opposite culture as well as have a proper understanding of the leadership and management approach which will await them in those countries belonging to different cultural background (Pennings, 1993).

#### **5.4 Recommendations**

Based on the above conclusions, the researcher made recommendations so as to improve the performance of BOA. Firstly, the management of BOA should through effective cross-cultural management and performance oriented management, exploit the benefits that cultural diversity brings to the company.

BOA management should also completely reshape the working culture that make possible the broad range of views and approaches of employees to be integrated and to define the new ways of getting work done. This will enhance the company's ability to access new markets and identify the ways of capitalizing the benefits of operating in and with diverse cultures. BOA management should also ensure and encourage employees to understand the organizations goals, and then discuss how each person can positively contribute to the achievement of those objectives regardless of their cultural diversity.

There is also need for future research in a more extensive test of performance oriented cross-cultural study using data is that is adequate and extensive for evaluating its empirical worth, since this study lacks that due in part to its small sample size, and restricted range in many of the measures.

In addition, studies can be done to look at related questions of cultural influence, including examining culture from a fit perspective. Such a relationship fell outside of the scope of this study, but remains an interesting approach for understanding culture of multinational organizations in general, and BOA specifically.

Human resource department should explore beyond usual recruiting tactics in order to find even more culturally diverse and qualified candidates - they should consider using multicultural marketing approaches to identify the media through which people from different cultural groups get their information, examples of media outlets could be: ethnic radio, community newspapers and internet.

This would be beneficial as it would enhance competitive advantage of BOA by bringing on board more resource in terms of additional creativity and innovation. According to Chasserio and Legault (2009), competitive advantage is measured in terms of an individual's level of creativity and innovation in the organization.

Management can also work towards establishment of cultural mentors who can provide cultural diverse employees with instruction, coaching and development, support as they go up the ladder of their careers. Finally the bank should develop retention strategies whereby employees with diverse cultural diversity are given flexible schedule to meet their culturally unique needs.

### **5.5 Implication of the study on Policy, Theory and Practice**

This Performance oriented cross-cultural study has implications for both scholars and practitioners. For scholars, this study identifies an area of research that can potentially increase our understanding of the impact that culture can have on the relationship between a practice and performance. For practitioners, this study can help go beyond simply identifying practices that one would expect to be in line with or contrary to the values of a culture.

It is worth highlighting that this study has contributed both theoretically and managerially to the field of CCM and leadership behaviors and styles in so far as cultural dimensions are concerned. Theoretically this study has contributed to the existing literature on cross cultural management.

In relation to the existing literature it has been found out that most of the studies have concentrated on defining the type of leadership approach which is prevalent in one or another culture and country (Suutari 1996, Kuchinke 1999, Ardichvili and Kuchinke 2002, Dickson, Hartog and Mitchelson, 2003).

In terms of practical and managerial contributions, the research findings will be of help to BOA and other companies to get quick adaptation to new cultural environment, decrease the time required for settling in the new and opposite cultural environment. El Sawah et al. (2008) also argued that most developing countries faced different obstacles when implementing western-developed technologies, management processes, strategies and information systems and techniques. This therefore means that organizations in developing economies need to find their own solutions to the emergent challenges in the operating, business, and even cultural environment.

### **5.6 Limitations of the study**

A number of challenges were encountered which were related to the research, particularly during the data collection. The data collected was limited to only one organization. The findings therefore, cannot be absolutely extrapolated to organizations within the same banking sector, or other industry, as different organizations could return different outcomes.

Because of busy schedules, some respondents gave out responses that might not be in tandem with the objective of the study. Such responses therefore, might be skewed in light of time available to effectively respond to the interview questions. The availability of time or the lack of it could not be empirically verified as researcher had no sight of their calendar diaries to ascertain such.

Researcher encountered problems of obtaining data from respondents since some of the required responses were touching on transparency, confidentiality and privacy. This meant that the data gathered could not be independently verified or quantified with a higher degree of accuracy.

However, the researcher used the introductory letter from the University to assure them of the validity and openness of the study. The researcher also indicated that the feedback forms would not bear their names hence any reason to be apprehensive.

### **5.7 Area for Further Research**

The study has had outcomes from BOA only but other organizations remain unexplored. The study focused on only one organization, and therefore, the findings cannot be generalized across the banking sector or other related organizations attempting to successfully manage diversity. Future research needs to extend to the industry in order to draw any effective outcomes.

This study has covered quite specific areas to understand the cultural influence on leadership practices in different cultural contexts. However, in order to have more generalizable outcome, recommendation for similar studies with more organizations and even countries should be considered.

Moreover, a quantitative study in this field of CCM would also bring more precise findings and define the most relevant leadership approach practiced in societies with diverse cultures. Further research should also be carried out in future establish quantifiable values of the influence of culture on multinational companies. Also given the scope and limitations of this study, further study should be undertaken on the influence of culture in the operations of other firms and companies beside the MNCs.

These studies would contribute to the existing knowledge and contribute to find out the leadership approaches practiced in companies representing different cultures, reasons behind choosing those approaches and the measures to avoid misunderstandings and setting up a successful business. Last but not least, it would also be interesting to find out the leadership styles which become prevalent when companies start to operate in countries other than their home country.

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# APPENDICES

## APPENDIX I: Interview Guide

### INTERVIEW GUIDE

This interview guide will act as a plan to seek information on the cross cultural management practices in Bank of Africa Kenya limited. All the information you give will be treated as confidential and for academic purposes only.

#### Background Information

Age.....

Gender.....

Nationality.....

Job title.....

- 1) What is your highest level of education?
- 2) For how long have you worked with Bank of Africa?
- 3) Which other positions have you held in BOA prior to your current position?
- 4) What is your current job responsibility?

#### Relationship with employees

- 5) How can you describe your relationship with your subordinates?
- 6) Do people in higher positions involved in decision making in BOA make decisions in consultation with people in lower positions, ask for their opinions, delegate important tasks, or even socially interact with them?
- 7) In your opinion, how would you improve the current working environment in BOA?
- 8) Is it more important for men to have a professional career than women in your department?
- 9) Is there a notion in BOA that there are some jobs that a man can do better than a woman?
- 10) In your opinion, is it true that men usually solve problems with logical analysis, and women with intuition?
- 11) As an individual, do you agree with the stipulation that: Solving difficult problems usually requires an active, forcible approach, which is typical of men?

#### Monitoring and Control

- 12) Are there laid down standards, procedures or policies, and operations instructions on how tasks should be carried out?
- 13) Are employees aware of these rules, regulations and policies, and of what is expected of them? Do they adhere to them?
- 14) Do you as a manager adhere to these rules all the time? Why?
- 15) Please describe the monitoring procedures employed by BOA to monitor employee work, and performance.
- 16) In your opinion, are the existing reward structures in BOA efficient and effective? If not, why?

**Objectives/Goal Setting**

- 17) Does your role involve Strategy formulation, setting goals, objectives and milestones?
- 18) Has BOA adopted any formal strategies for achieving its objectives? Briefly elaborate.
- 19) As a manager, how do you set objectives for your team members?
- 20) What performance and work improvement processes exist in your team/department?
- 21) Do individuals in your team sacrifice self-interest for the team? Sticking with the group even through difficulties and challenges?
- 22) Is group welfare and group success more important than individual rewards and individual success respectively in your unit? Do individuals pursue individual goals after considering the welfare of the group?

**BOA Leadership/Management**

- 23) How would you describe the general leadership styles present in BOA?
- 24) Do you believe that your leadership styles match those of your colleagues in similar positions? Is it true that a manager's cultural background impacts on the leadership styles they practice?
- 25) Please share anything else not mentioned in here that you think would contribute positively to the improvement of cross cultural management practices in BOA.

**Thank You for taking time to participate in this study!**

## **APPENDIX II: Letter of Introduction**

**Dear Interviewee,**

My name is Belinda Katsila Akinyi, a Master of Business Administration (MBA) student at the University of Nairobi conducting research study on Cross Cultural Management practices and Performance of Bank of Africa Kenya limited. You have been selected to form part of the study due to the nature of your work, in order to help me undertake the research.

This letter therefore is to kindly request your assistance in responding to the interview guide. The study will in no way expose or disclose the bank's strategic information and the internal procedures and practices, but will purposely be for academic purposes.

Your assistance and cooperation in this exercise is highly appreciated.

Yours Faithfully,

Belinda K. A

## APPENDIX III: University's Request for Data Collection



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAMME**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE 03<sup>RD</sup> SEPT, 2015

### **TO WHOM IT MAY CONCERN**

The bearer of this letter BELINDA KATSILA AKINYI

Registration No. DBL/64631/2013

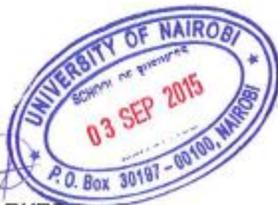
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
**PATRICK NYABUTO**  
MBA ADMINISTRATOR  
SCHOOL OF BUSINESS



### APPENDIX III: Authority for Data Collection



**BANK OF AFRICA KENYA LIMITED**

Thursday, 08 October 2015.

To The School of Business,  
University of Nairobi,  
P.O. Box 30197-00100,  
Nairobi,

Dear Sir/Madam,

**RE: BELINDA KATSILA- CROSS CULTURAL MANAGEMENT PRACTICES AND  
PERFORMANCE OF BANK OF AFRICA KENYA LIMITED- REG NO. D61/64631/2013**

We refer to the above subject topic and hereby confirms that the student, Belinda Katsila Akinyi conducted the research interview through Bank of Africa Staff.

Yours faithfully,  
For Bank Of Africa Kenya Limited

A handwritten signature in blue ink, appearing to read "Florence Murerwa".

Florence MURERWA  
Head, Human Resources

**BANK OF AFRICA KENYA LTD.**  
P.O. BOX 69562  
Nairobi NAIKEN

Reinsurance Plaza, Taifa Road, P.O. Box 69562 - 00400 Nairobi, Kenya  
Telephone: +254 (20) 3275000, Telefax: 254 (20) 2214166, SWIFT: AFRIKENX Website: [www.boakenya.com](http://www.boakenya.com)

Directors: Ambassador Dennis AWORI\* (Chairman), Eunice MBOGO\*, Dr Monica KERRETTYS-MAKAU\*, Susan KASINGA\*, Mohamed BENNANI\*,  
Abdelkadir BENNANI\*, Mr. Amine BOUABID\* (Director), Alexandre RANDRIANASOLO\*\*\*, Vincent De BROUWER\*, Bernardus A. M.ZWINKELS\*\*, Anis KADDOURI\*\* (Ag. MD)  
(\* Kenyan\*, Moroccan\*\*, Malagasy\*\*\*, Belgian\*, Dutch \*\*)

*\*Bank of Africa Kenya Limited is regulated by the Central Bank of Kenya\**