

**EFFECTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE  
PERFORMANCE**

**A CASE OF KUMASI AREA OF SSNIT**

By  
**KNUST**

**Nana Difie Bawua BBA(Human Resource Management)**

A thesis submitted to the Institute of Distance Learning, Kwame Nkrumah  
University of Science and Technology in partial fulfillment of the requirements for  
the degree of

**COMMONWEALTH EXECUTIVE MASTERS OF PUBLIC  
ADMINISTRATION**

Institute of Distance Learning

JANUARY, 2011

## DECLARATION

‘I hereby declare that this submission is my own work towards the commonwealth masters of public administration and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text’.

KNUST

**Nana Difie Bawua** .....

(Student)

Signature

.....  
Date

Certified by:

**Mrs. Rosemary Coffie** .....

(Supervisor)

Signature

.....  
Date

Certified by:

**Prof. I.K. Dontwi** .....

(Dean of Institute of Distance Learning)

Signature

.....  
Date

## DEDICATION

To my son, John Nii Adotey Addotey and my beloved Daniel.

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## ACKNOWLEDGEMENTS

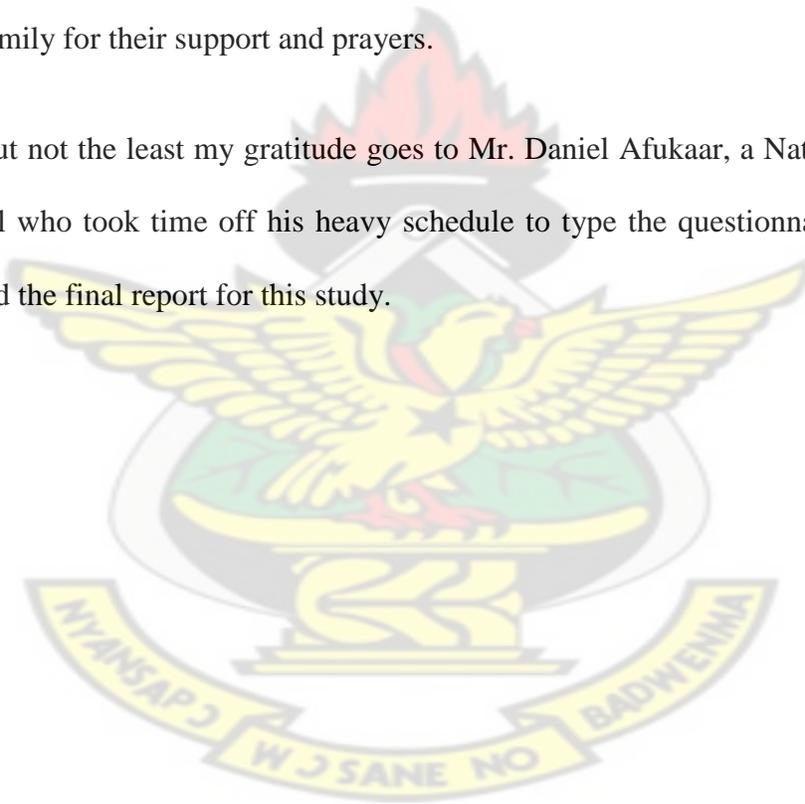
I am grateful to the Almighty God for all His mercies and the gift of life

I am especially to my supervisor, Mrs. Rosemary Coffie through those initiatives and guidance this study has become a reality.

I wish to express my appreciation to Management and staff of SSNIT for their co-operation.

To my family for their support and prayers.

Lastly, but not the least my gratitude goes to Mr. Daniel Afukaar, a National Service Personnel who took time off his heavy schedule to type the questionnaire, the draft report and the final report for this study.



## ABSTRACT

This study assesses the effect of the organizational culture on employee performance using the staff of the Kumasi Area of Social Security and National Insurance Trust (SSNIT). SSNIT is a statutory a public Trust charged with the administration of Ghana's National Pension Scheme. As a performance management policy, SSNIT assesses its staff to ensure the continual improvement in the performance of its staff. However, the question of whether the organizational culture improves or worsens employees performance has not yet been researched in SSNIT, as no attention has been given to the effect or impact of organizational culture on employee performance in SSNIT. Thus, there is a major gap in the relevant literature in SSNIT which has to be covered by research and this study attempts to fill this gap. The study used the survey research method. Purposive and convenience sampling techniques were used to select ninety (90) respondents that constituted the sample size for the study from a target population of one hundred and seventy four (174) for reasons of time, cost and finances. The main objective was to ascertain the effect of Organizational Culture on employee performance and to formulate recommendations regarding Organizational Culture and performance issues respectively and also ascertain the effect or impact of organizational culture on employee performance. Self administered questionnaires were used in collecting data for this study. The findings of the studies amongst others were that SSNIT embraces and blends all the four types of organizational culture namely, co-operative, competitive, passive and aggressive cultures in its administrative and operational activities. These concepts have reflected in the performance issues in SSNIT thereby impacting positively on employee performance in SSNIT as deduced from the various reasons assigned by the respondents.

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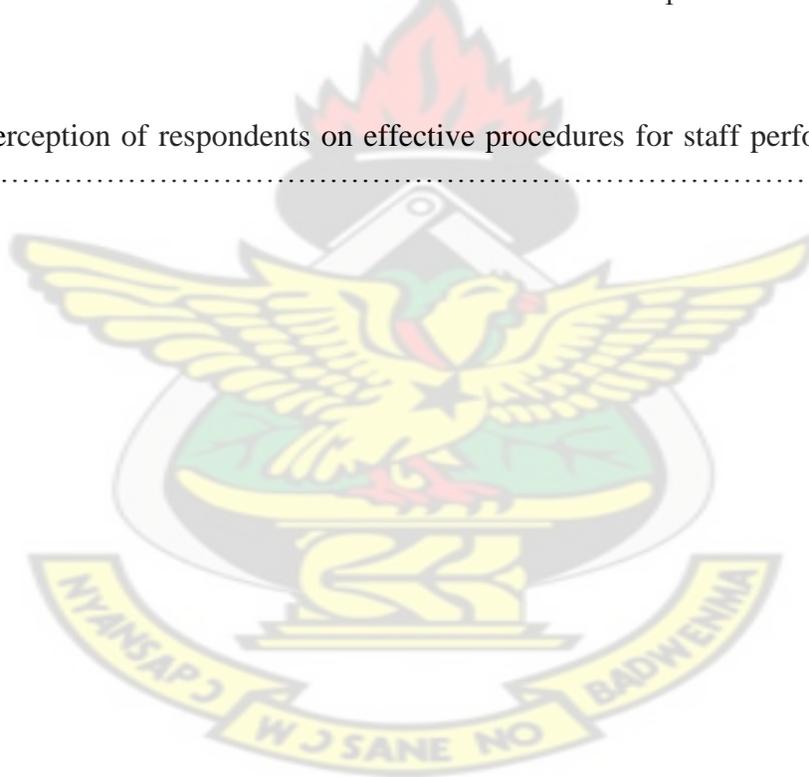
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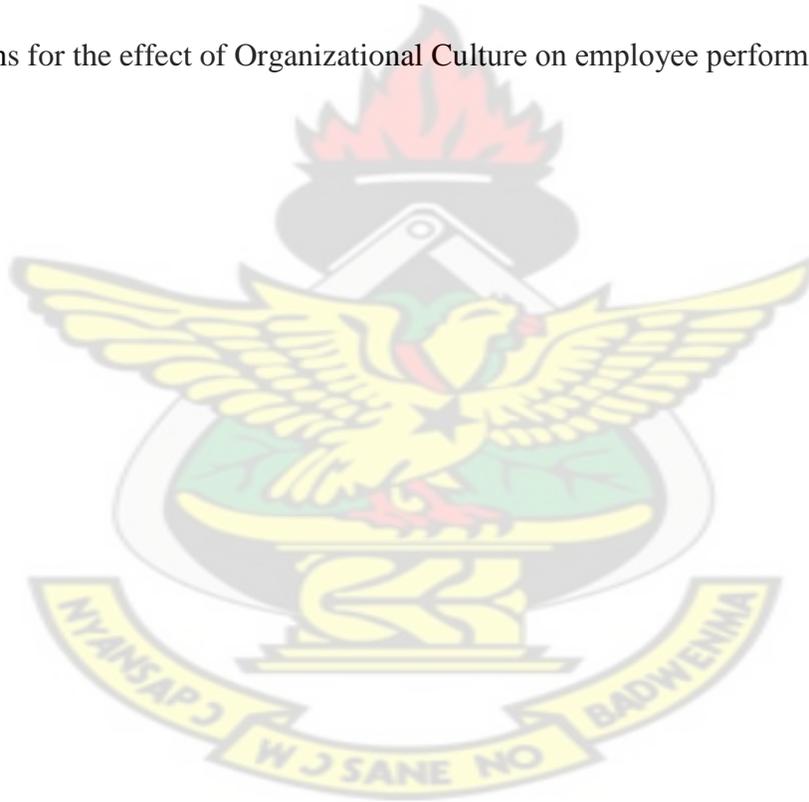
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## CHAPTER ONE

### INTRODUCTION

#### 1.0 Background of the study

Organizational development is concerned with the analysis and diagnosis of the factor that determine organizational effectiveness, and the planning and delivery of programmes to increase that effectiveness.

Organizations want to obtain the commitment of their employees. Management would like its employees to be identified with the values, norms and artefacts of the organization, hence the need for organizational culture. Management needs to explain and imbibe its culture in its employees; this will enable the employee to get familiar with the organizational system. During this process of socialization, the employee learns about the organizational culture and decides whether he can cope with it or not. This means that each organization is a learning environment. Performance is the extent to which an individual is carrying out assignment or task. It refers to the degree of accomplishment of the task that makes up an employee's job (Cascio, 2006). Job performance is the net effect of an employee's effort as modified by abilities and roles or task perceptions (Jones, 2003).

The culture of the organization should be developed to support continuous improvement, improve employees' style of performing their job and thus develop quality awareness.

Organizational culture finds expression through the thoughts, intentions, actions and interpretations of members of the organization (Hallett, 2003).

Academic interest in organizational culture is evidenced by the level of attention it has received over the last few decades. The relationship between organizational culture and performance has been the subject of abundant research in several fields, including strategic management, organizational behaviour, and industrial organizations. While this topic is rich in studies, many researchers concur on the fact that there is no agreement on the precise nature of the relationship between organizational culture and performance. Despite the plethora of studies on organizational culture in the last few decades, there is no widely accepted causal relationship between organizational culture and performance. The empirical evidences emerging from various studies about the effect of corporate culture on performance have so far yielded mixed results that are inconclusive and contradictory (OJO, 2003). Because of these contradictory results, the question of whether organizational culture improves or worsens employee's performance is still worthy of further research (such as the one being undertaken in this study). Despite the existence of these studies, very little attention has been given to the impact of organizational culture on performance in Ghana. This research attempts to study the situation in SSNIT and providing more empirical evidence on the effect of organizational culture on employee performance.

### **1.1 Statement of the problem**

Every organization has its own unique culture and SSNIT as an institution has its own unique culture as well. The culture of the organization should be developed to support continuous improvement, improve employee's style of performing their job and thus develop quality awareness.

As a Performance Management Policy, SSNIT assesses its staff to ensure the continual improvement in the performance of its staff. But the question of whether organizational culture improves or worsens employees performance has not yet received any research in SSNIT, because no attention has been given to the effect or impact of organizational culture on employee performance in SSNIT. Thus, there is a major gap in the relevant literature in SSNIT which has to be covered by research. This research attempts to fill this gap.

## **1.2 Objectives of the Study**

### ***1.2.1 General Objectives:***

“To determine the effect of organizational culture on individual worker’s performance at SSNIT, Kumasi Area”.

### ***1.2.2 Specific Objectives:***

- (a) To ascertain the perception of the staff on organizational culture in SSNIT.
- (b) To assess the staff perception of employee performance issues in SSNIT.
- (c) To determine the relationship between organizational culture and employee performance.
- (d) To formulate recommendations regarding organizational culture and employee performance.

## **1.3 Research Questions**

This research study is poised towards providing answers to the following questions:

- (i) Does organizational culture have any effect on employee performance?
- (ii) What is the staff perception about employee performance management in SSNIT?
- (iii) What is the staff perception about organizational culture in SSNIT?
- (iv) In what way does organizational culture impacts on employee performance?

#### **1.4 Research Hypotheses**

In order to answer the research questions and achieve the objective of the study, the following hypotheses were advanced.

$H_0$ : There is no positive relationship between organizational culture and employee performance in SSNIT.

$H_1$ : There is a positive relationship between organizational culture and employee performance in SSNIT.

#### **1.5 Significance of the study**

Examining the relationship between the Organizational Culture and performance should contribute to our knowledge of the relationship that exists between them. This will enhance managerial effectiveness and organizational success in SSNIT.

This study intends also to prescribe potential practical implications for managers and administrators in management development programmes with the training needs of the employees in organizations. Hence employees will likely perform better and feel a high level of job satisfaction and will help develop more commitment towards their organization.

## **1.6 Scope of the study**

SSNIT has been divided into seven(7) Area offices, forty eight(48) Branch offices and eighteen(18) Day offices located all over the country. However, for the sake of time and financial constraints, the study was restricted to the Kumasi Area.

The Kumasi Area comprises of the Area office, Adum, Asafo, Obuasi, Bekwai, Sefwi Wiawso, Konongo, Mampong-Ashanti and Dunkwa on Offin Branch offices.

## **1.7 Brief Methodology of the study**

The study was carried out with primary and secondary data. The population for the study comprised of 174 workers which were made up of 18 managers and 156 non – management staff. The actual sample size was 90. The data collection was done at the Kumasi Area of SSNIT. The main research instrument used was structured questionnaire.

## **1.8 Limitations of the study**

The study though has revealed in depth the effect of Organizational Culture on employee performance, encountered certain obstacles.

- a) Finance: The high cost of stationery, printing, travelling and transportation and other miscellaneous expenses in respect of preparing, administering and retrieving of questionnaires did not permit for greater sample size.
- b) Time Constraint: In combining my official duties and also undertaking the project, made it difficult for me to deliver on time.
- c) Administering and Retrieval of Questionnaire: The apathetic nature of the respondents to the administering and answering of the questionnaire delayed the

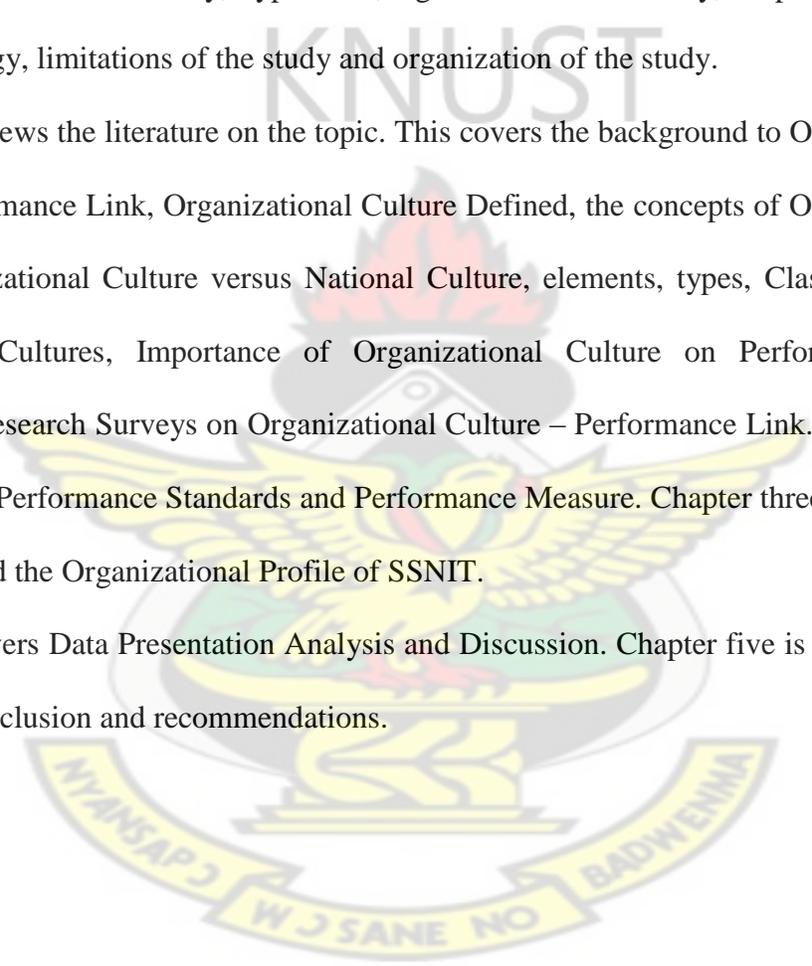
retrieval of the questionnaires, affecting the analyses of the data and this led to the late submission of this report.

### **1.9 Organization of the study**

This study is presented in five chapters. Chapter one covers the introduction, problem statement, objectives of the study, hypothesis, significance of the study, scope of the study, brief methodology, limitations of the study and organization of the study.

Chapter two reviews the literature on the topic. This covers the background to Organizational Culture – Performance Link, Organizational Culture Defined, the concepts of Organizational Culture, Organizational Culture versus National Culture, elements, types, Classification of Organizational Cultures, Importance of Organizational Culture on Performance, and Challenges of Research Surveys on Organizational Culture – Performance Link. It also looks at Performance, Performance Standards and Performance Measure. Chapter three looks at the methodology and the Organizational Profile of SSNIT.

Chapter four covers Data Presentation Analysis and Discussion. Chapter five is on Summary of Findings, Conclusion and recommendations.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter presents the literature review on effects of Organization Culture on Performance. It consists of the background to Organization Culture – Performance link, Definition of Organizational Culture, the Concepts of Organizational Culture, Organizational Culture versus National Culture, elements, types and Classification of Organizational Cultures; Importance of Organizational Culture on Performance and Challenges of Research Surveys on Organizational Culture – Performance Link.

It also looks at Performance, Performance standards and Performance measure.

#### 2.1 Background to Organizational Culture – Performance Link

Systematic research on the cultures of work organizations and how they might be managed to enhance performance and productivity, however, was not pursued with and frequency until the 1980s. A number of popular management books published at that time called attention to cultural issues in the management of organizations (Ouchi, 1981; Pascale and Athos, 1981; Peters and Waterman, 1982; Deal and Kennedy, 1982). The general theme of these books was that managers can shape the cultures of the organizations they manage in ways that develop a distinctive culture with enlightened guidance of management. The appearance of these volumes and the competitive threat posed by Japanese organizations that was evident at that time awakened substantial interest in the cultures of work organizations within the management community. Another example (Wilmer et al., 1994) comes from the automobile

industry: In 1984, when GM and Toyota formed the NUMMI joint venture, they undertook a dramatic cultural transformation of what had been one of the worst GM plants in the U.S. Union-management conflict had raged for 20 years resulting in strikes, absenteeism, and low productivity and quality. The original intent was simply to adopt and learn Toyota's highly successful production system. But because the Japanese production system depended on positive relations between management and labour, many Japanese management principles and practices were also adopted and gradually modified to fit the American work force. These changes gave rise to a new culture that fostered trust, mutual respect, and recognition of the interdependencies between management and labour and between different parts of the plant.

## **2.2 Organizational Culture Defined**

In the past 25 years, the concept of organizational culture has gained wide acceptance as a way to understand human systems. From an "open-system" perspective, each aspect of organizational culture can be seen as an important environmental condition affecting the system and its subsystems. The examination of organizational culture is also a valuable analytical tool in its own right.

This way of looking at organizations borrows heavily from anthropology and sociology and uses many of the same terms to define the building blocks of culture. Edgar Schein, one of the most prominent theorists of organizational culture, gave the following very general addition.

Edgar Schein is one of the most referred commentators on Organizational Culture that almost all the researchers have mentioned his approach to organizational culture. Schein (1990)

defines culture as: “A *pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way perceive, think, and feel in relation to those problems*”. In other words, as groups evolve over time, they face two basic challenges: integrating individuals into an effective whole, and adapting effectively to the external environment in order to survive. As groups find solutions to these problems over time, they engage in a kind of collective learning that creates the set of shared assumptions and beliefs we call “culture”.

Gareth Morgan (1997) describes culture as “an active phenomenon through which people jointly create and recreate the worlds in which they live. “For Morgan, the three basic questions for cultural analysts are:

- What are the shared frames of reference that make organization possible?
- Where do they come from?
- How are they created, communicated, and sustained?

Morgan proposes four essential strengths of the organizational culture approach:

- It focuses attention on the human side of organizational life, and finds significance and learning in even its most mundane aspects (for example, the setup in an empty meeting room).
- It makes clear the importance of creating appropriate systems of shared meaning to help people work together toward desired outcomes.

- It requires members – especially leaders – to acknowledge the impact of their behaviour on the organization’s culture. Morgan proposes that people should ask themselves: “What impact am I having on the social construction of reality in my organization?” “What can I do to have a different and more positive impact?”
- It encourages the view that the perceived relationship between an organization and its environment is also affected by the organization’s basic assumptions.

Tichy (1982) refers culture as: *“The normative glue that holds an organization together”*.

Forehand and Von Gilmer (1964) suggest that culture is *“the set of characteristics that describe an organization and distinguish from others”*. Titiev (1959) is also of the idea that *“culture must be learned and shared”*.

The culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done. (Eldridge and Crombie, 1974).

Culture is a system of informal rules that spells out how people are to behave most of the time. (Deal and Kennedy, 1982).

Culture is the commonly held beliefs, attitudes and values that exist in an organization. Put more simply, culture is ‘the way we do things around here’. (Furnham and Gunter, 1993)

Summing up the various definitions of culture, Furnham and Gunter (1993) list, amongst others, the following areas of agreement on the concept:

- It is difficult to define (often a pointless exercise).

- It is multi-dimensional, with many different components at different levels.
- It is not particularly dynamic, and ever changing (being relatively stable over short periods of time).
- It takes time to establish and therefore time to change a corporate culture.

### 2.3 The Concepts of Organizational Culture

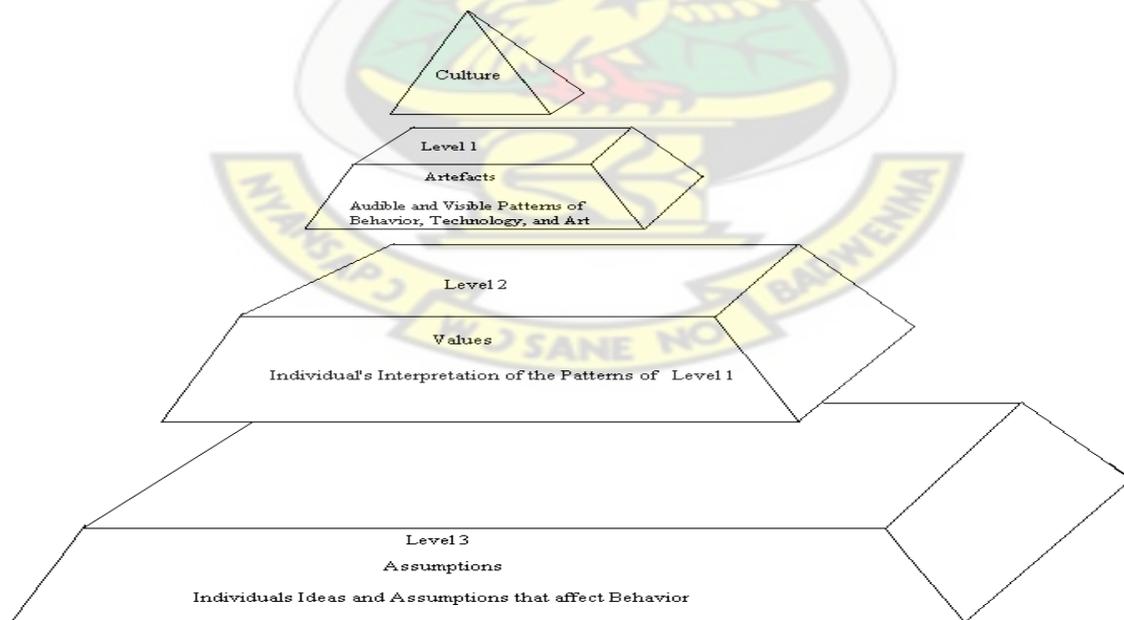
There are many ways to visualize the concept of organizational culture (as portrayed in figure 2.1). Schein (1992) portrays culture as existing at three levels of awareness. The most apparent are artifacts, which are visible organizational structures and processes. Artifacts represent the first level and include what one sees, hears, and feels when first subjected to a culture. These include visible organizational structures and processes, language, technology, emotional displays and other observable behaviors. While at this level one can visibly observe various artifacts, one's interpretation of culture will still emerge from personal feelings and reactions to what is visible. Somewhat less evident are espoused values which are the strategies, goals and philosophies expressed by managers and other members of the organizational culture. Least evident is what he calls the basic underlying assumptions which are unconscious and taken for granted beliefs, perception, thoughts and feelings. He sees the latter as the "*ultimate source of values and action*" (1992:17).

The second level of culture, espoused values, helps to predict what people will say in various situations, as a result of assertions made by group members (often leaders). However, like artifacts, this may not indicate how they might actually behave. Not until espoused values transform into shared beliefs and assumptions (through experience), can one identify the

‘true’ culture of the organization. The espoused values are the strategies, goals and philosophies expressed by management and other members of the organization.

The third level, basic assumptions, emerges from the members of the organization which have supported espoused values. The basic underlying assumptions are unconscious and taken for granted beliefs, perceptions, thoughts and feelings. At this level, assumptions about people’s behavior become embedded and reinforced in the minds of members. Until one recognizes the pattern of basic assumptions, the interpretations of artefacts and espoused values will not uncover the ideational essence of culture. This includes developing and understanding the underlying assumptions and values that emerge among members of organizations. Schein sees basic assumptions as the “*ultimate source of values and actions*” (1992:17).

**Figure 2.1:** Schein’s Model of Organizational Culture

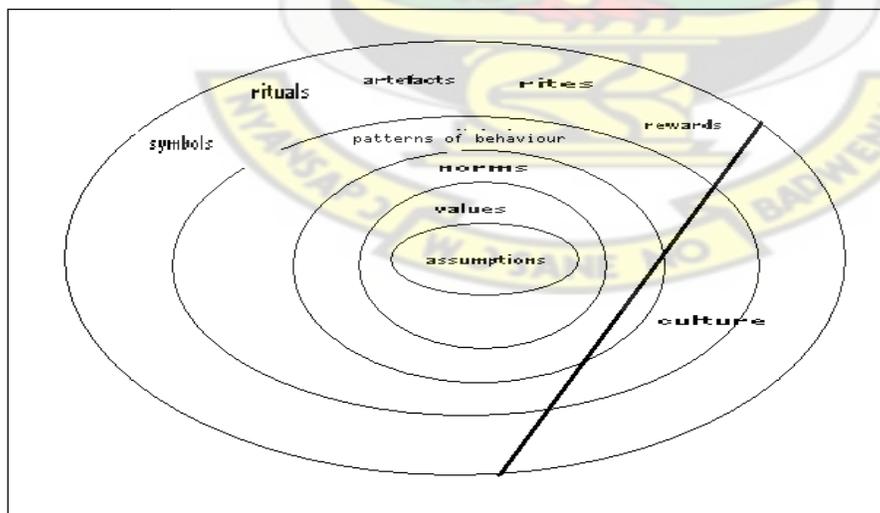


**Source:** Schein, E.H 1992, Organizational Culture and Leadership, San Francisco, CA: Jossey-Bass

According to Ojo (2003) there are many ways to visualize the concept of Organizational Culture. One popular conceptualization is the onion model. This model portrays culture as consisting of successive encompassing layers, like those of an onion. An organization's culture can be visually represented in this way (as illustrated in figure 2.2). When one walks around an organization, there are elements of the organization's culture that are 'on the surface' and are relatively easily visible. One can see many cultural symbols (e.g. whether your office is on a floor close to the top or the bottom of the building, how big your office is), artefacts (e.g. computers), and patterns of behavior (e.g. how and where people interact, how they behave in formal and informal meetings).

Equally important, but the less visible aspects of culture are norms, values and basic assumptions people make. An organization's culture can be visually represented in this way (as illustrated in Figure 2.2).

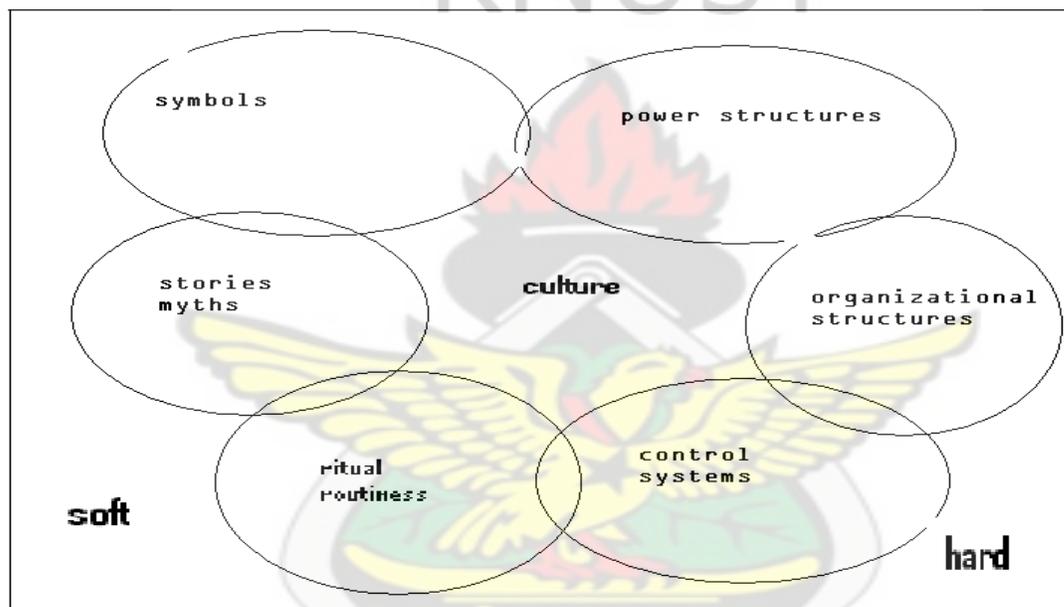
**Figure 2.2:** *The Onion Model of Organizational Culture*



**Source:** Organizational Cultural Analysis: The Importance of Organizational Culture

Another way of conceptualizing organizational culture is in terms of its ‘hard’ and its ‘soft’ sides. As seen in Figure 2.3, organizational culture is ‘supported’ by both social/psychological aspects (e.g. stories, symbols, rituals) and by some more concrete elements such as power structures, hierarchical structure and control systems (e.g. financial, measurement and reward systems).

**Figure 2.3:** *Hard and Soft Concept of Organizational Culture*



**Source:** Organizational Cultural Analysis: The Importance of Organizational Culture

### 2.3.1 Organizational Culture versus National Culture

Hofstede (1980) studied the interactions between National Cultures and Organizational Cultures. Hofstede’s study demonstrated that there are national and regional cultural grouping that affect the behavior of organizations and that these are persistent across five.

He identified five (5) dimensions of culture. The dimensions are:

- ***Small vs. large power distance***

How much the less powerful members of institutions and organizations expect and accept that power is distributed unequally. In cultures with small power distance (e.g. Australia, Austria, Denmark, Ireland, New Zealand), people expect and accept power relations that are more consultative or democratic. People related to one another more as equals regardless of formal positions. Subordinates are more comfortable with and demand the right to contribute to and critique the decisions of those in power. In cultures with large power distance (e.g. Malaysia), the less powerful accept power relations that are autocratic or paternalistic. Subordinates acknowledge the power of others based on their formal, hierarchical positions. Thus, *Small vs. Large Power Distance* does not measure or attempt to measure a culture's objective, "real" power distribution, but rather the way people perceive power differences.

- ***Individual vs. collectivism***

How much members of the culture define themselves apart from their group memberships. In individualist cultures, people are expected to develop and display their individual personalities and to choose their own affiliations. In collectivist cultures, people are defined and act mostly as a member of a long-term group, such as the family, a religious group, an age cohort, a town, or a profession, among others. This dimension was found to move towards the individualist end of the spectrum with increasing national wealth.

- ***Masculinity vs. femininity***

The value placed on traditionally male or female values (as understood in most Western cultures). In so-called ‘masculine’ cultures, people (whether male or female) value competitiveness, assertiveness, ambition, and the accumulation of wealth and material possessions. In so-called ‘feminine’ cultures, people (again whether male or female) value relationships and quality of life. This dimension is often renamed by users of Hofstede’s work, e.g. to *Quantity of Life vs. Quality of Life*. Another reading of the same dimension holds that in ‘M’ cultures, the differences between gender roles are more dramatic and less fluid than in ‘F’ cultures; but this strongly depends on other dimensions as well.

- ***Weak vs. strong uncertainty avoidance***

How much members of a society are anxious about the unknown, and as a consequence, attempt to cope with anxiety by minimizing uncertainty. In cultures with strong uncertainty avoidance, people prefer explicit rules (e.g. about religion and food) and formally structured activities, and employees tend to remain longer with their present employer. In cultures with weak uncertainty avoidance, people prefer implicit or flexible rules or guidelines and informal activities. Employees tend to change employers more frequently.

- ***Long vs. short term orientation***

A society’s “time horizon” or the importance attached to the future versus the past and present. In long term oriented societies, people value actions and attitudes that affect the future: persistence/perseverance, thrift and shame. In short term oriented societies, people value actions and attitudes that are affected by the past or the

present: normative statements, immediate stability, protecting one's own face, respect for tradition, and reciprocation of greetings, favors, and gifts.

- These cultural differences describe averages or tendencies and not characteristics of individuals. A Japanese person for example can have a very low 'uncertainty avoidance' compared to a Filipino person even though their 'national' cultures point strongly in a different direction. Consequently, a country's scores should not be interpreted as deterministic.

Trompenaars (1994) argued that national culture distinctions might also help determine the type of organization culture that is chosen and that internal organizational variables should be considered a primary source of culture (for example the authority system). He developed four organizational cultural types and linked these types to national culture. The four types of organizational culture includes: Family, Eiffel Tower, Guided Missile and Incubator.

***Family organization culture*** is a power – oriented corporate culture where the leader is viewed as an informal and caring parents who understands what is best for his/her subordinates, and takes care of them. There are a number of countries with organizations that display this culture most often, Japan, France, India etc.

***Eiffel Tower culture*** is a function of Weber's traditional bureaucracy. There is a rigid hierarchical, a specific and comprehensive division of labour and all developments are planned. As such change is not attractive and is often resisted in this culture. Trompenaars' research indicates that the Eiffel Tower culture is most evident in Denmark, the Netherland and African Countries.

**Guided Missile culture** is characteristically egalitarian who roles are not carved in stone, and teams or project groups are common throughout the organization. This culture is very task focused and impersonal. Members of the organization must do whatever it takes to meet planned objectives. Guided Missile cultures are mostly often found in United States, Canada, and the United Kingdom.

**The Incubator culture:** Trompenaars argued that these organizations exist to serve as incubators for self – expression and self – fulfillment more than anything else. There is minimal organization structure and the culture is egalitarian, personal and highly creative. These organizational cultures are found most often in knowledge and science industries such as computer software development firms. Trompenaars suggests that some organizations demonstrate more than one type of culture simultaneously but that for the most part, one type characterizes the entire organization.

## 2.4 Elements of Organizational Culture

Deal and Kennedy (1982) discuss the elements of organizational culture as follows:

- **Business Environment**

Each company faces a different reality in the market place depending on its products, competitors, customers, technologies, government in which a company operates determines what it must do to be a success, and this business environment is the single greatest influence in shaping a corporate culture.

- **Values**

These are the basic concepts and beliefs of an organization; as such they form the heart of the co-operate culture. Values are social principles, philosophies, goals and standards considered to have intrinsic worth.

- ***The Rites and Rituals***

These are systematic and programmed routines of day to day life in the company. In their mundane manifestation – which is called rituals – they show employees the kind of behavior that is expected of them. In their extravaganzas – which is called ceremonies – they provide visible and potent examples of what the company stands for.

- ***The Culture Network***

As the primary (but informal) means of communication within an organization, the cultural network is the ‘carrier’ of the corporate values and heroic mythology. Story tellers, spies, priest, cabals and whisperers from a hidden hierarchy of power within the company.

## **2.5 Types of Organizational Culture**

Cook and Rousseau’s (1988) cultural model identifies four different cultural types in organizations: *Co-operative, Competitive, Passive and Aggressive.*

- ***Co-operative Culture***

Members of organizations with co-operative cultures are encouraged to set goals, take initiative, and work together to attain personal and organizational objectives. Co-operative styles imply a high valuation on individuals and are expected to be associated with greater decision authority and greater confidence that the distributed

authority will not be abused. Co-operative norms encourage behaviors such as goal attainment, enjoying one's work, and maintaining one's personal integrity and standards.

- ***Competitive Culture***

In organizations with competitive cultural norms, members are typically rewarded for taking charge and being in control. In such organizations, winning is often highly valued and members are rewarded for out-performing each other. Such an approach has been used effectively in designing sales force incentives and other compensation schemes. A competitive culture encourages decisiveness, rewards achievement, and creates an environment of high expectations. On the other hand, an overly competitive culture can inhibit effectiveness by reducing co-operation and promoting unrealistic standards of performance.

- ***Passive Culture***

In organizations where a passive culture dominates, conflicts are avoided and members feel as if they must agree with, gain the approval of, and be liked by others. Such organizations tend to be conservative, traditional and bureaucratically controlled, where members are expected to follow the rules and make a good impression. This type of work environment can limit organizational effectiveness by minimizing constructive expression of ideas and opinions, suppressing innovation, and stifling flexibility.

- ***Aggressive Culture***

Aggressive norms minimize influence at lower levels by emphasizing adherence to directives and authority. Aggressive norms promote such behaviors as procrastination, inflexibility following rules and procedures, waiting for direction from superiors before acting and could also cause service quality to become confused with winning power and pointing out the flaws of others.

## 2.6 Classifying Organizational Culture

There have been many attempts to classify or categorize organizational culture as a basis for the analysis of cultures in organizations and for taking action to support or change them. Most of these classifications are expressed in four dimensions and some of the best-known ones are summarized below.

**Harrison (1972)** categorized what he called ‘organization ideologies’. These are:

- *Power-oriented* – competitive, responsive to personality rather than expertise;
- *People-oriented* – consensual, management control rejected;
- *Task-oriented* – focus on competency, dynamic;
- *Role-oriented* – focus on legality, legitimacy and bureaucracy.

**Handy (1981)** based his topology on Harrison’s classification, although preferred the word ‘culture’ to ‘ideology’. His four types of culture are;

- The *power culture* is one with a central power source that exercises control. These are few rules or procedures and the atmosphere is competitive, power-oriented and political.

- The *role culture* is one in which work is controlled by procedures and rules and the role, or job description, is more important than the person who fills it. Power is associated with positions, not people.
- The *task culture* is one in which the aim is to bring together the right people and let them get on with it. Influence is based more on expert power than is important.
- The *person culture* is one in which the individual is the central point. The organization exists only to serve and assist the individuals in it.

**Schein (1985)** identified the following cultures:

- The *power culture* is one which leadership resides in a few and rests on their ability and which tends to be entrepreneurial.
- The *role culture* is one in which power is balanced between the leader and the bureaucratic structure. The environment is likely to be stable and roles and rules are clearly defined.
- The *achievement culture* is one in which personal motivation and commitment are stressed and action, excitement and impact are value.
- The *support culture* is one in which people contribute out of a sense of commitment and solidarity. Relationships are characterized by mutuality and trust.

**Williams et al (1989)** redefined the four categories listed by Harrison and Handy as follows:

- *Power orientation* – organizations try to dominate their environment and those exercising power strive to maintain absolute control over subordinates.

- *Role orientation* emphasizes legality, legitimate and responsibility. Hierarchy and status are important.
- *Task orientation* focuses on task accomplishment. Authority is based on appropriate knowledge and competence.
- *People orientation* – the organization exists primarily to serve the needs of its members. Individuals are expected to influence each other through example and helpfulness.

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## **2.7 Importance of Organizational Culture on Performance**

Organizational culture has been linked to economic performance and organization viability/success (Denison & Mishra, 1995; Sorensen, 2002; Devis, 2007). For example, organizations dedicated to continuous improvement, with visionary leaders who ‘walk their talk’ and focus on a set of core values, have been shown to be more financially successful in the long-term (Kotter & Heskett, 1992). Organizational culture has also been shown to be important for successful new product/process innovation and organizational change (Plakhotnik and Tonette, 2005; Umiker, 1999).

According to Olu (2003) various studies indicate that companies with strong cultures are more likely to be successful, but only under a particular set of conditions. The effect of organizational culture depends partly in its strength. The strength refers to how widely and deeply employees hold the company’s dominant values and assumptions. In a strong organizational culture, most employees across all subunits hold the dominant values. These values are also institutionalized through well-established artifacts, thereby making it difficult for those values to change. Furthermore, strong cultures tend to be long-lasting; some can be

treated back to company founder's values and assumptions. In contrast, companies have weak culture when the dominant values are short-lived and held mainly by a few people at the top of the organization. A strong organizational culture potentially increases a company's success by serving three important functions:

*i. Control System:* Organizational culture is a deeply embedded form of social control that influences employee decision and behavior. Culture is pervasive and operates unconsciously.

*ii. Social glue:* Organizational culture is the 'social glue' that bonds people together and makes them feel; part of the organization experience. Employees are motivated to internalize the organization's dominant culture because this helps fulfill their need for social identity. This social glue is increasingly important as a way to attract new staff and retain top performers.

*iii. Sense-making:* Organizational culture assists the sense-making process. It helps employees understand what goes on and why things happen in the company. Organizational culture also makes it easier for them to understand what is expected of them and to interact with the other employees who know the culture and believe in it.

People are constantly surrounded by culture. It forms the background (often invisible) of our work-lives, coloring everything in an organizational. Organizational culture also provides a powerful mechanism for controlling behavior by influencing how we attach meaning to our world and how we interpret events.

According to Barney, (1986) and Cooke and Rousseau, (1988) (previous researchers), an organization's culture is thought to play key role in strategy formulation, firm performance, and competitive advantage. Culture may also have indirect effects on performance in benefiting other aspects of an organization. For example, Klein et al (1955) have found that organizational culture is linked to service quality and employee performance, both of which have been identified as fundamental links in *Harvard's Service Profit Chain* leading to subsequent consumer and financial success indicator.

## **2.8 Challenges of Research Surveys on Organizational Culture – Performance Link**

An early analyses of ways of studying culture pointed out that culture can be viewed either as a property of organizations – something the organization has – or as something the organization (Smircich, 1983).

Most popular treatments of culture describe it as just another variable that characterizes the organization – in effect as something that the organization has. Scholarly treatments of culture, however, vary considerably. Studies that use quantitative methods usually treat culture as a variable that can be measured much like other properties of organizations (Denison, 1990; Hofstede et al, 1990). Studies that use qualitative methods, particularly those in the ethnographic tradition, are more likely to treat cultures as something the organization is (Barley, 1983; Trice and Sonnenstuhl, 1988; Kunda, 1991; Browning et al, 1995).

The multiplicity of cultures to which organization members belong greatly complicates the analysis of how culture affects work performance. Although the presence of multiple cultures in organization is generally recognized, most empirical studies and theories of organizational culture have tended to focus on one level of culture at a time.

Researchers have for example focused on national cultures. (Hofstede, 1980; industry – wide cultures, (Abrahamson and Fombrum, 1998) occupational cultures (Barley, 1983; Trice and Sonnenstuhl, 1988; Trice and Beyer, 1993). Managerial cultures in general (Chatov, 1973), organizational cultures (Denison 1990; Kunda, 1991), and work group cultures (Brown 1983).

Although few studies have tried to look at more than one type of culture at a time, all of the cultures to which organization members belong have the potential to affect their work performance.

The limits of empirical evidence to date make researchers dependent on theory to suggest which levels of culture might matter most for the performance of employees and organizations and to specify how cultures affect that performance. Similarly, measuring performance itself is difficult because effectiveness is multidimensional (Cameron, 1978).

Three of the major issues associated with the characteristics of culture that make it especially difficult to assess are definitional issues, measurement issues, and dimensional issues.

**Definitional Issues:** First, some ambiguity surrounds the definition of culture itself. Multiple cultures may be present within an organization that may affect performance – for example, a national culture, a functional culture, a gender – based culture, a work group culture, and a company culture. With a few exceptions (e.g. Hofstede, 1980; Barley, 1983; Trice and Beyer, 1993), empirical researchers have failed to identify the specific level of culture studied.

**Measurement Issues:** relate to the measurement of organizational culture or the most appropriate methods for obtaining data on organizational culture. A central issue is whether a

quantitative approach to culture assessment is valid, or whether an in depth, qualitative approach is the only way to detect and describe culture.

One perspective argues that only by utilizing in – depth qualitative procedures in which artifacts, stories and myths, and interpretation systems are studied over long periods of time in and in – depth way can cultural attributes be identified (Schein, 1992; Trice and Beyer, 1993).

**Dimensional issues:** relate to the most appropriate dimensions of culture to assess in determining the relationships between culture and effectiveness since it may be impossible to assess all aspects of an organization’s culture, it becomes necessary to focus on certain dimensions of an organization’s culture more than others.

## **2.9 Performance**

### **2.9.1 Introduction**

Performance is the extent to which an individual is carrying out assignment or task. It refers to the degree of accomplishment of the task that makes up an employee’s job (Cascio, 2006).

### **2.9.2 Definitions of Performance**

*The Oxford English Dictionary* defines performance as: “the accomplishment, execution, carrying out, working out of anything ordered or undertaken”. This refers to outputs / outcomes (accomplishment) but also states that performance is about doing the work as well

as being about the results achieved. Performance could therefore be regarded as behavior – the way in which organizations, team and individuals get work done.

*Bates and Holton (1995)* define performance as: “a multi-dimensional construct, the measurement of which varies depending on a variety of factors”. They also state that it is important to determine whether the measurement objective is to assess performance outcomes or behavior. There are different views on what performance is, it can be regarded as simply record or achievement. On an individual basis, it is a record of the person’s accomplishments.

*Kane (1996)* argues that performance “is something that the person leaves behind and that exists apart from the purpose”. *Bernadin et al (1995)* are concerned that: “performance should be defined as the outcomes of work because they provide the strongest linkage of the strategic goals of organization, customer satisfaction, and economic contributions”. *Campbell (1990)* believes that: “performance is behavior and should be distinguished from the outcomes because they can be contaminated by systems factors”. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes. *Brumbach (1988)* is of the view that: “performance means both behavior and results. Behaviors emanate from the performer and transform performance from abstraction to action. Not just the instrument for results, behaviors is also outcomes in their own right – the product of mental and physical effort applied to tasks – and can be judged apart from results.

### **2.9.3 Performance Standards and Performance Measure**

Michael Armstrong (2001) defines Performance Standards and Performance Measure as follows:

*A performance standard* can be defined as a statement of the conditions that exist when a job is being performed effectively. Performance standards are used when it is not possible to set time – based targets. Standard are sometimes described as standing or continuing objectives, because their essential nature may not change significantly from one review period to the next the key task remains unaltered, although they may be modified if new circumstances arise.

A performance standard definition should take the form of a statement that performance will be up to standard if a desirable, specified and observable result happens. It should preferably be quantified in terms, for example, of level of service or speed of response. Where this is not possible, a more qualitative approach may have to be adopted, in which case the standard of performance definition would in effect state: “this job or task will have been well done if the following things happen”. Junior or more routine jobs are likely to have a higher proportion of standing objectives to which performance standards are attached than senior and more flexible or output – oriented jobs.

*Performance Measures* are agreed when setting objectives. It is necessary to define not only what is to be achieved but how those concerned will know that it has been achieved. Performance measures should provide evidence of whether or not the intended result has been achieved and the extent to which the job holder has produced that result. This will be the basis for generating feedback information for use not only by managers but also by individuals to monitor their own performance.

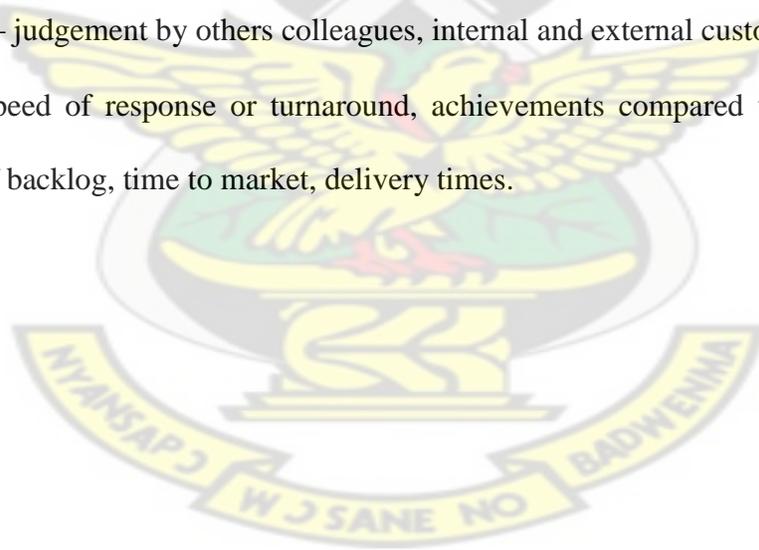
The following are guidelines for defining individual performance measures:

- Measures should relate to results, not efforts.

- The results must be within the job holder's control.
- Measures should be objective and observable.
- Data must be available for measurement.
- Existing measures should be used or adapted wherever possible.

Measures can be classified under the following headings:

- Finance – income, economic value added, shareholder value, rates or return, cost;
- Output – units produced or processed, throughput, new accounts;
- Impact – attainment of a standard (quality, level of service etc), changes in behavior (internal and external customers), completion of work / project, level of take-up of a service, innovation;
- Reaction – judgement by others colleagues, internal and external customer;
- Time – speed of response or turnaround, achievements compared with timetables, amount of backlog, time to market, delivery times.



## CHAPTER THREE

### METHODOLOGY AND ORGANIZATIONAL PROFILE

#### **3.0 Introduction**

The term methodology is a system of explicit rules and procedures in which research is based and against which claims of knowledge are evaluated (Ojo, 2003). Therefore, this section focuses on the research techniques adopted and used for this study with the aim of achieving the research objectives.

#### **3.1 Sources of Data**

Both primary and secondary sources of data were used in this project. Primary data are those which are collected afresh and for the first time, and thus happen to be original in character. The secondary data on the other hand, are those which have already been collected and which have already been processed.

##### ***3.1.1 Primary data***

Primary data for the project were collected through this questionnaire.

##### ***3.1.2 Secondary data***

The data were obtained from relevant books, internet, articles and journals, and SSNIT manuals, newsletters.

#### **3.2 Population**

The target population of this study consists of the entire workers in the Kumasi Area of SSNIT is made up of eight branch offices with staff strength of 174. The offices are Adum, Asafo, Obuasi, Bekwai and Konongo. The rest are Sefwi Wiawso, Mampong and Dunkwa-on-Offin. Every office has some units. The units are the Compliance, Benefits, Administration, Prosecutions, Public affairs, Students' Loan, Accounts, Data Management

and Data Entry and Security. In all there are about 174 workers made up of the 131 males and 43 females.

### **3.3 Sampling and Sampling Technique**

Sampling refers to the process of selecting a portion of the population to represent the entire population. There are 174 members of staff in the Kumasi Area made up of ten (10) Management staff, Ninety (90) Senior staff and Seventy four (74) Junior staff. Ninety (90) respondents were selected from the target population. Purposive Sampling was used to select all the ten (10) Management staff because those were the key individual who could give the information required for the study. Convenience Sampling was however used to select eighty (80) respondents from the senior and junior staff, the reason being that the questionnaires were distributed to members of staff who were available at that time.

### **3.4 Data Collection Instrument**

Every research work has a framework for collecting data. Its function is to ensure that the required data are collected accurately and economically. Primary method of data collection was used in this study. The primary data consists of a number of items in structured questionnaire that was administered to the respondents. The decision to structure the questionnaire is predicated on the need to reduce variability in the meanings possessed by the questions as a way of ensuring comparability of responses. The questionnaire was distributed to employees from different job levels and functions within the Branch and Area Offices of SSNIT.

#### **3.4.1 Questionnaire**

The questionnaire was titled ‘Effect of Organizational Culture on employee Performance Questionnaire’. It was in four sections:

- Section A dealt with the socio – demographic characteristic of respondents.

- Section B assessed the culture of SSNIT using Cooke and Lafferty (1989) 12 - point instrument for assessing Organizational Culture.
- Section C & D dealt with the staff perception of employee performance issues in SSNIT and the impact of SSNIT's culture on its employee performance respectively.

### **3.5 Study Designs**

Case study design was used. Case studies are investigations of an individual, group, institution or other social unit. In other words, case studies mostly involve the observation of individual unit e.g. a student, worker, a group, a community, an event or even an entire culture etc.

### **3.6 Data Analysis**

Data collected from the questionnaire were analyzed, summarized, and interpreted accordingly with the aid of tables and simple percentage bar and pie charts. Chi-square was used to measure the discrepancies existing between the observed and expected frequency and to proof the level of significance in testing stated hypothesis.

## **3.7 ORGANIZATIONAL PROFILE**

### **3.7.1 Introduction**

The area of study is the Social Security and National Insurance Trust (SSNIT). SSNIT is a statutory public trust charged with the administration of Ghana's National Pension Scheme. Its primary responsibility is to replace part of the income of Ghanaian workers or their dependants due to Old Age, Invalidity or Loss of Life. The Trust is currently the largest non-banking financial institution in the country and it is the largest Institutional investor in the economy.

### **3.7.2 Brief history of SSNIT**

The Trust (SSNIT) was established in 1972 under NRCD 127 to administer the National Social Security Scheme. Until 1991, the Trust administered a provident fund, and this was converted into a pension scheme under The Social Security Law (PNDC Law 247).

Effective January 2010, The Trust is running a new pension scheme under the National Pensions Act 2008, Act 766.

### **3.7.3 Vision of SSNIT**

The vision is “to develop SSNIT into a world-class pension administration institution, dedicated to the promotion of economic security of the Ghanaian worker through prudent investment mechanism”.

### **3.7.4 Mission of SSNIT**

As its institutional mission, “SSNIT is committed to providing cutting edge income replacement schemes, through improved business oriented methods and State-of-The-Art-Technology for the benefit of stakeholders and Ghanaians by professional, dedicated and quality driven leadership and staff”.

### **3.7.5 Primary Objective of SSNIT**

The primary objective of SSNIT is to process benefits accurately and promptly to eligible members and their dependents.

### **3.7.6 The Core functions of SSNIT**

The core functions of SSNIT are:

- Register employers and workers
- Collect contributions
- Manage records on members

- Manage funds of the scheme
- Process and pay benefits to eligible members and their dependants
- Train personnel to enhance efficiency

### **3.7.7 How SSNIT Operates**

SSNIT has a decentralized operational system made up of Area, Branch and Day offices. There are 7 Area, 48 Branches and 18 Day offices located all over the country. An Operations Co-ordinator at the Head Office co-ordinates the activities of the Area Offices. The Area Offices supervise the activities of Branches and Day Offices.

### **3.7.8 SSNIT Performance Management System**

SSNIT's PMS is based on the Balanced Score Card (BSC) model. The BSC is a performance management and measurement system that enables organizations to clarify their vision/strategy and translate them into operational objectives.

SSNIT's BSC encouraged the organizational mission, vision, core values, critical success factors, objectives, performance measures, targets and improvement actions.

SSNIT's BSC comprise of setting objectives/targets and measuring performance in two broad category areas. The first category comprises the Key Result Areas (KRA):

This constitutes 80% of the overall rating. The KRA are as follows:

***Operational perspective:*** It looks at strategic functions on the core business of the department. Targets are set based on the Division/Department. Objectives and activities Related to the employer's job description and / or what is expected of him/her on the job title.

**Financial perspective:** This perspective focuses on cost management and expenditure controls/cost reduction. Targets set cover employee's ability to achieve objectives within approved budgets as well as obtain cost savings.

**Customer perspective:** This perspective focuses on staff relations to internal and / or external customers and how the relations impact on the strategic direction of SSNIT. Targets are set to cover staff ability to maintain excellent customer relations with internal and external customers as well as respond to customer request within a reasonable time frame.

**People's Perspective:** This perspective focuses on the employee's relations with colleague as well as employee development and adherence to the PMS.

After the objectives/targets are set and agreed on by the Manager/Supervision and Employee the appraisal document is signed and filed to be used during the mid-year review and year-end assessment.

The second category consists of assessment of behavioral competencies that should drive performance. It constitutes 20% the performance assessment process and includes the following:

- Personal competency
- Business competency
- Control & Risk requirements
- SSNIT's values

The score is based on the extent to which the employee exhibits the indicated behavioral competencies.

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## CHAPTER 4

## DATA PRESENTATION, ANALYSIS AND DISCUSSION

### 4.0 Introduction

This chapter presents the results obtained from the analysis of the questionnaires retrieved from the respondents.

### 4.1 Socio - demographic Characteristics of Respondents

A total of 72 questionnaires were successfully retrieved. Some respondents did not answer all the questions in the questionnaire hence the total for some study characteristics may not add up to 72. A summary of the study population's characteristics is presented in Table 4.1, Figures 4.1, 4.2 and 4.3.

**Table 4.1.** Socio – demographic Characteristics of Respondents

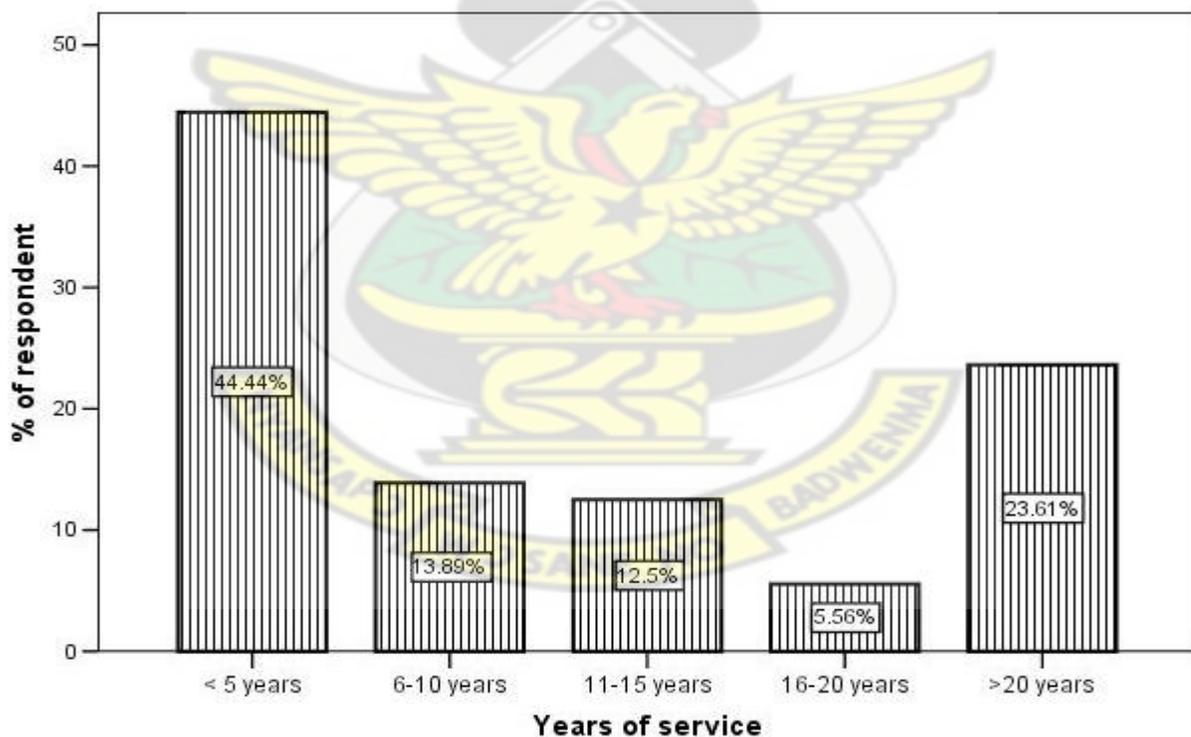
<b>Characteristic</b>	<b>N</b>	<b>% of Total N</b>
<i>Gender</i>		
Male	56	77.8
Female	16	22.2
<i>Age</i>		
< 25 years	11	15.3
25 – 34 years	27	37.5
35 – 59 years	34	47.2
<i>Grade</i>		
Junior staff	26	37.7
Senior staff	38	55.1
Management	5	7.2

N: number of respondents

From Table 4.1, it is evident that majority of the respondents were male employees (77.8%) of SSNIT. The age distribution of respondents indicated that very few were below the age of

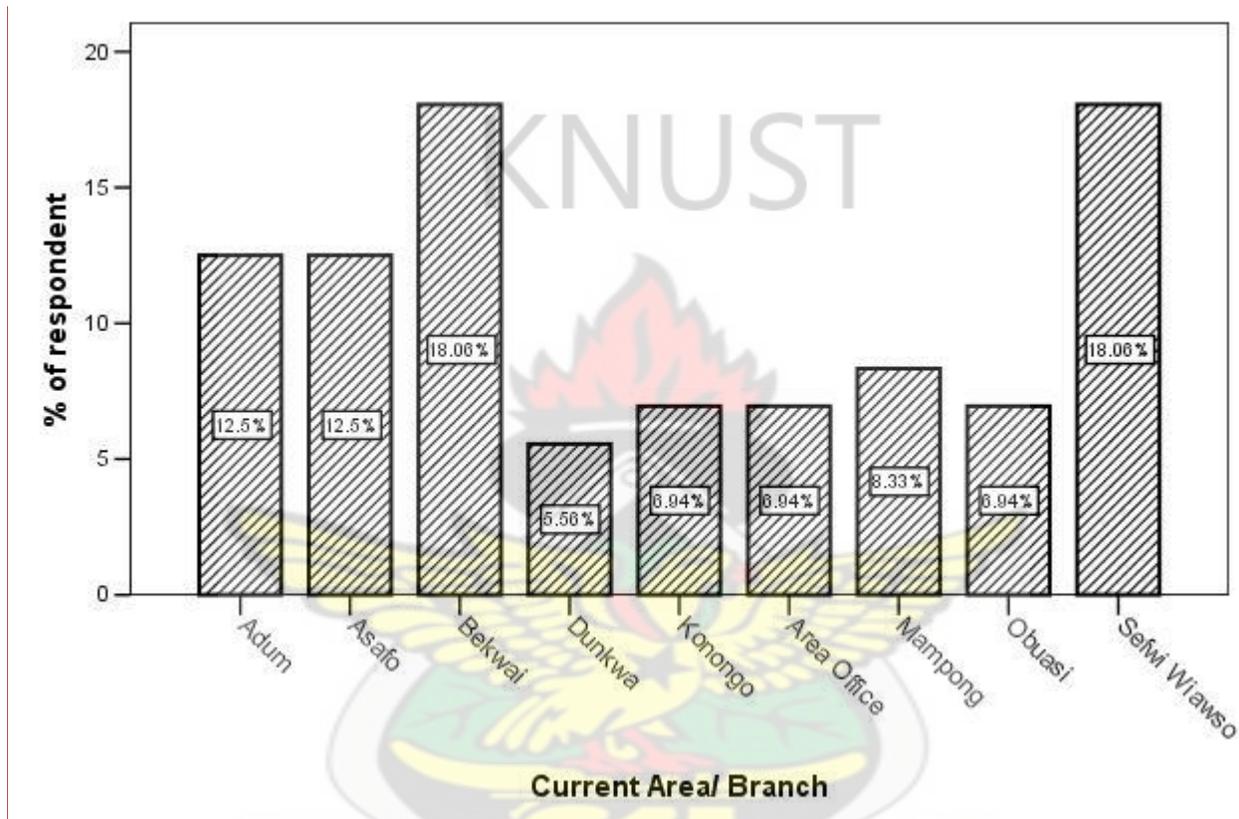
25 years (15.3%). The bulk (84.7% cumulatively) of the respondents were above 25 years but below 60 years. On the contrary, majority of the employees (44.4%) have worked with the institution for less than 5 years with an appreciable portion (23.6%) having served for over 20 years. The remaining proportion (32%) of employees was found to have served SSNIT from between 6 – 20 years, as detailed in Figure 4.1. More than half of the respondents were of Senior Staff grade (55.1%), 37.7% were of Junior Staff status and 5 (7.2%) were of Management grade (Table 4.1). This proposes that views were sought from all the grades available in SSNIT in order to have a fair understanding of the effect(s) of organizational culture of the institution as a whole.

**Figure 4.1.** Number of years of service in SSNIT of respondents



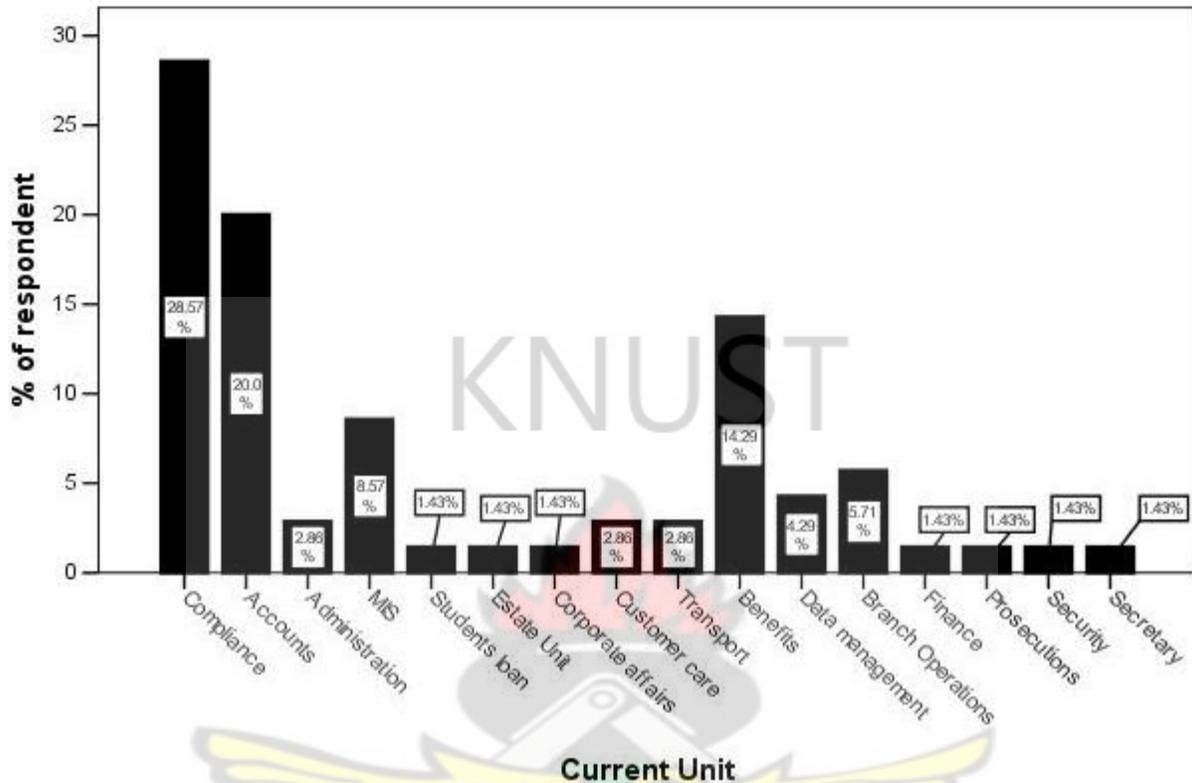
SSNIT is a well established institution with branches nationwide. Respondents for the study were drawn from several branches, as shown in Figure 4.2. All the branches were within the Kumasi Area.

**Figure 4.2.** Branch offices of respondents



Within the selected branches, much effort was made to obtain views from personnel(s) in the various units. The outcome, as indicated in Figure 4.3, shows that Compliance (28.6%), Accounts (20.0%) and Benefits (14.3) Units constituted the bulk of the respondents. As substantial number of the respondents were also from the MIS Unit (8.6%) with others from the Estate, Corporate Affairs, Customer care, Transport, Security, Data management, Branch Operations, Prosecutions, Students Loans and Finance unit.

**Figure 4.3.** Unit of service of respondents



## 4.2 ORGANIZATIONAL CULTURE ASSESSMENT

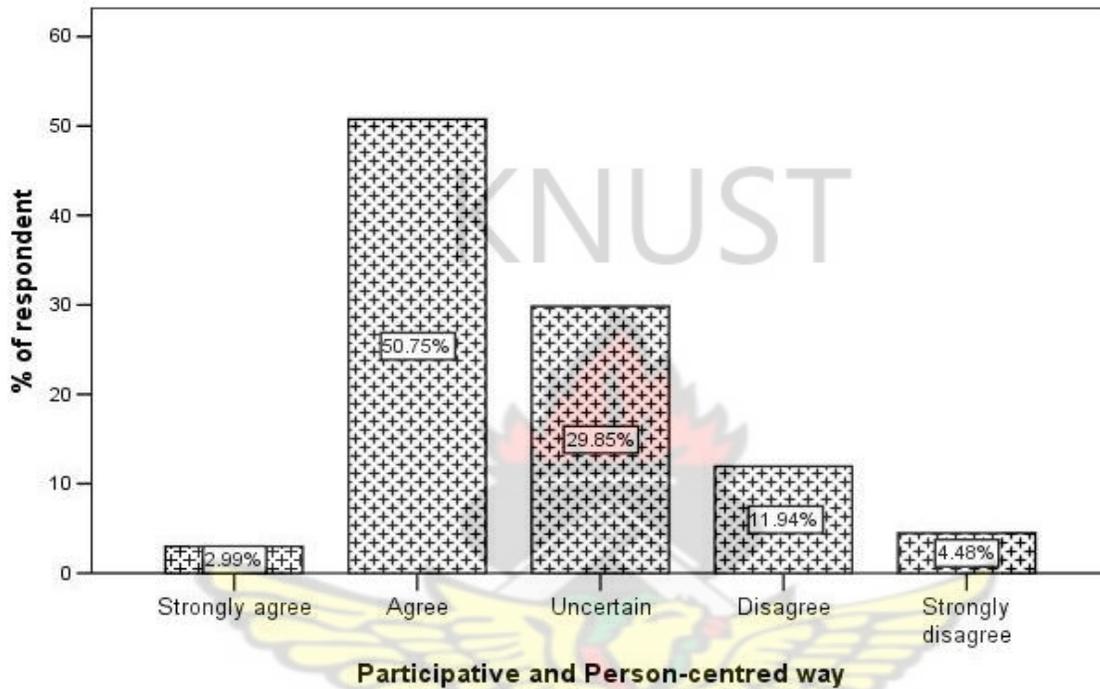
Respondents were asked several questions to assess their view on organizational culture in SSNIT. They gave their opinion to particular questions using the following pre-defined responses/ answers: Strongly agree (SA); Agree (A); Uncertain (U); Disagree (D) and Strongly disagree (SD).

### 4.2.1 Participative and Person – centred way

From Figure 4.4, it is observed that more than half (SA: 2.99%, A: 50.75%) of the respondent either strongly agreed or agreed that SSNIT as an institution is managed in a

participative and person-centred manner. About 16% of the respondent cumulatively had an opposite view of this assertion.

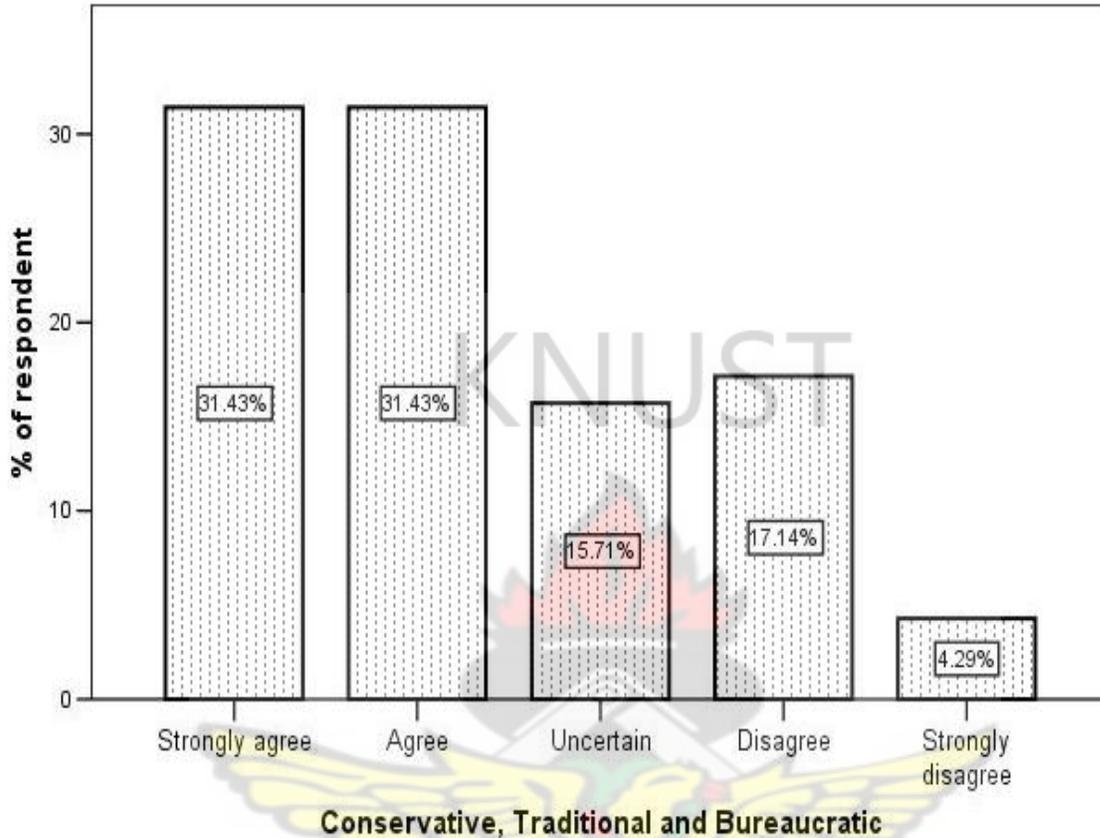
**Figure 4.4.** Management of SSNIT in a participatory and person-centred way



#### 4.2.2 Conservative, Traditional and Bureaucratic

Majority of the respondents (62.86% cumulatively) had the view that SSNIT was a conservative, traditional and bureaucratically controlled institution, indicated in Figure 4.5. About 16% of the employees were uncertain and approximately 21% cumulatively disagreed or strongly disagreed with this view.

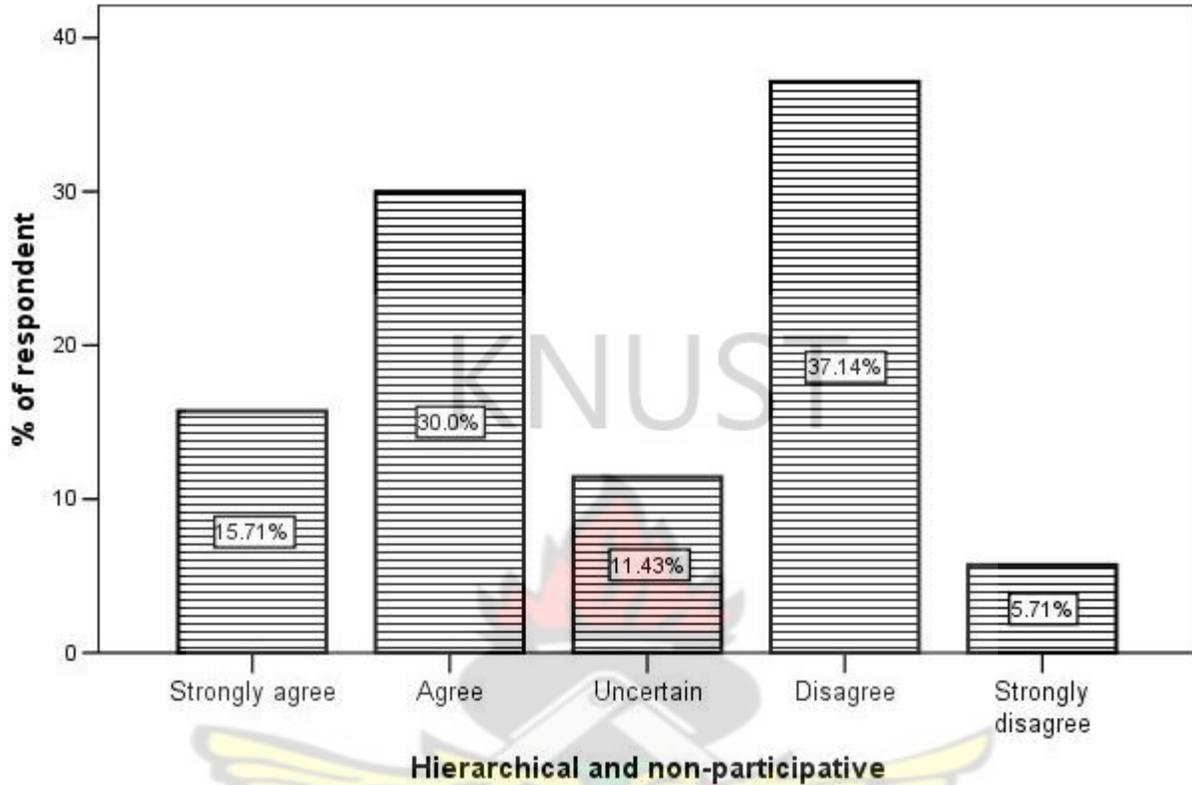
**Figure 4.5.** SSNIT as a conservative, traditional and bureaucratic institution



#### **4.2.3 Hierarchical and Non - participative**

On the question of whether SSNIT was hierarchically controlled and a non-participative establishment, 37.14% and 5.71% of the respondent disagreed and strongly disagreed, respectively with this view. About 11% were uncertain and the remaining proportion was in agreement with the question, as detailed in Figure 4.6.

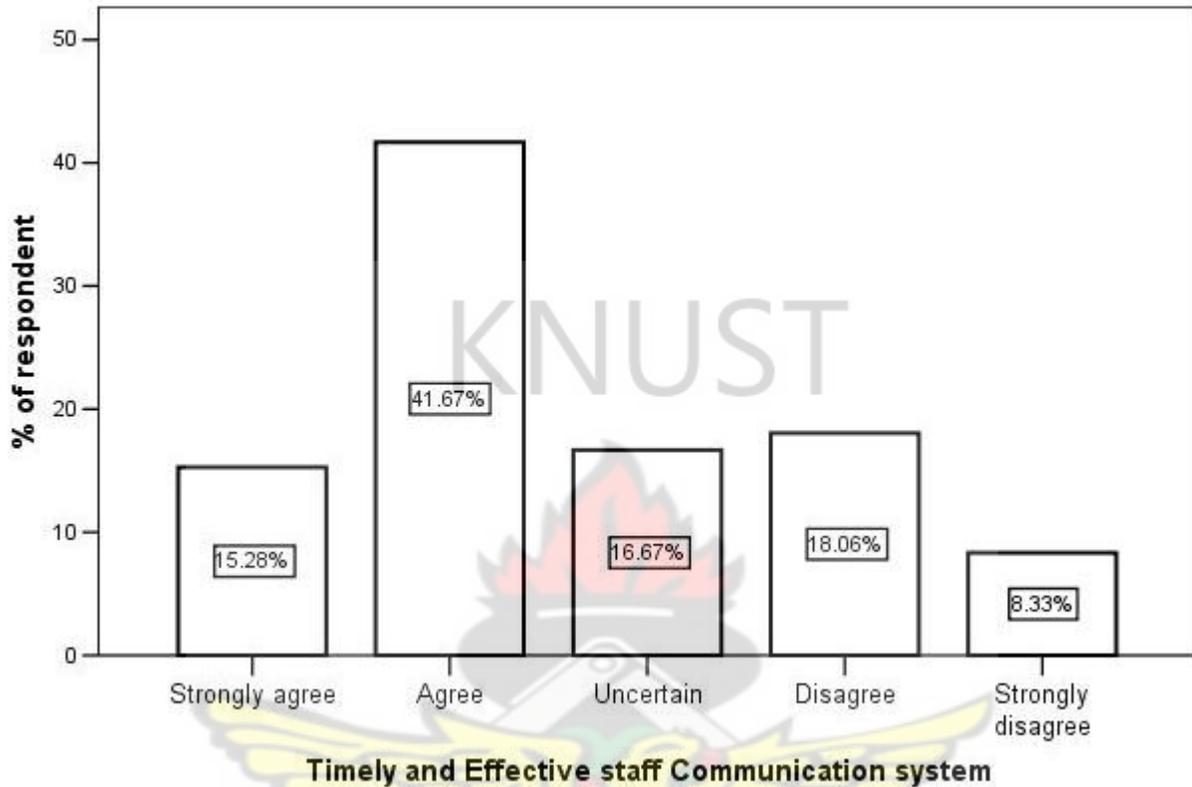
**Figure 4.6.** SSNIT as a hierarchically controlled and non-participative institution



#### **4.2.4 Timely and Effective Staff Communication System within SSNIT**

On the timely and effective communication system among staff within SSNIT, about 56% of the respondents cumulatively associated with this while about 26% were of the opposite view. The remaining respondents were uncertain about this, illustrated in Figure 4.7.

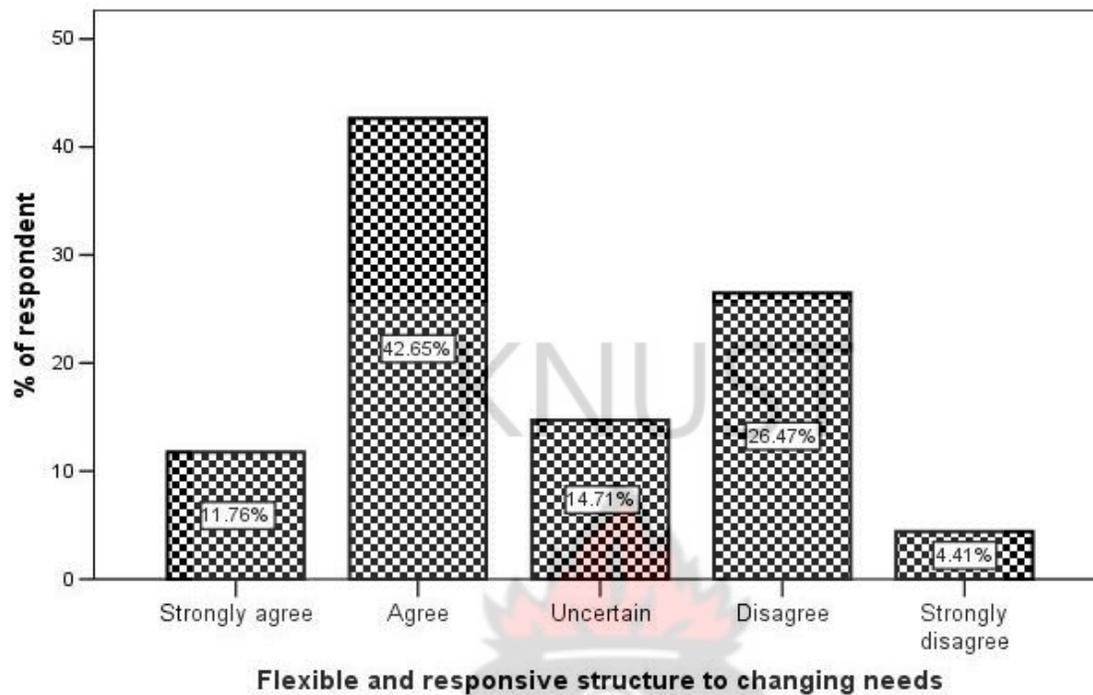
**Figure 4.7.** Timely and effective staff communication system within SSNIT



#### **4.2.5 Flexible and Responsive Structure to Changing needs**

The structure of SSNIT was generally reported to be flexible and responsive to changing need. 11.76% and 42.65% of the respondent strongly agreed and agreed, respectively. About 31% of the respondent disagreed, to certain extent, and 14.71% also uncertain, as detailed in Figure 4.8.

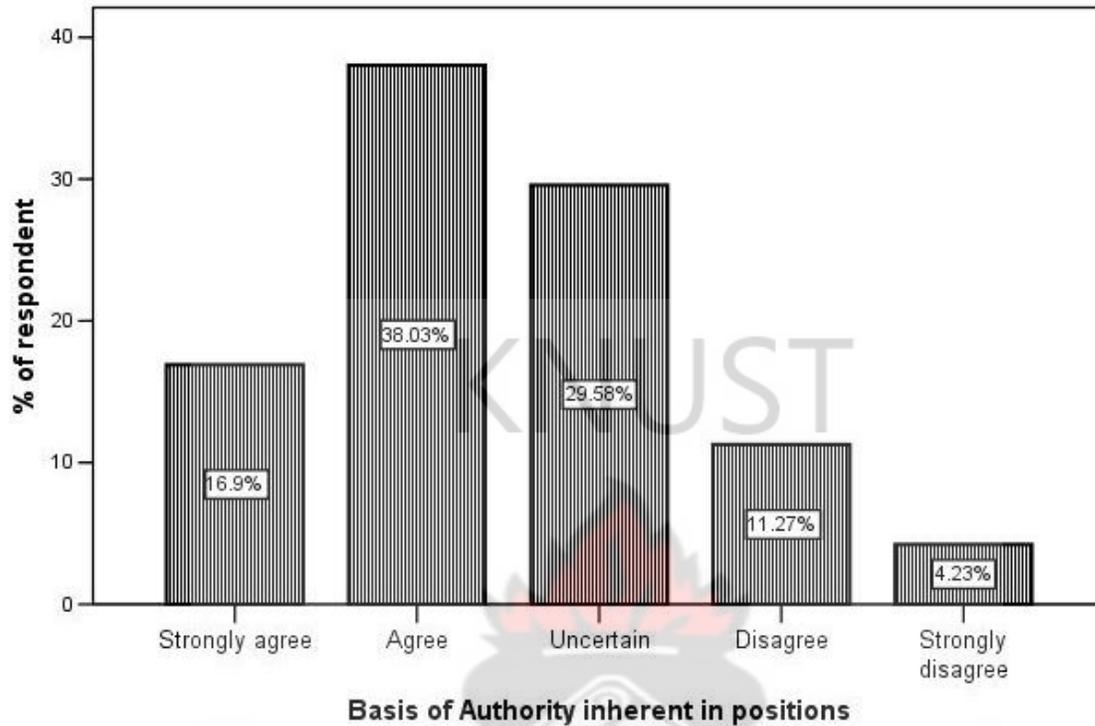
**Figure 4.8.** SSNIT is flexible and responsive to changing needs



#### **4.2.6 Basis of Authority in SSNIT**

About 54% of the respondents were of the view that SSNIT is structured on the basis of authority inherent in members' positions. Approximately 30% were uncertain about this but about 15% of the respondents disagreed to this unwritten norm, as shown in Figure 4.9.

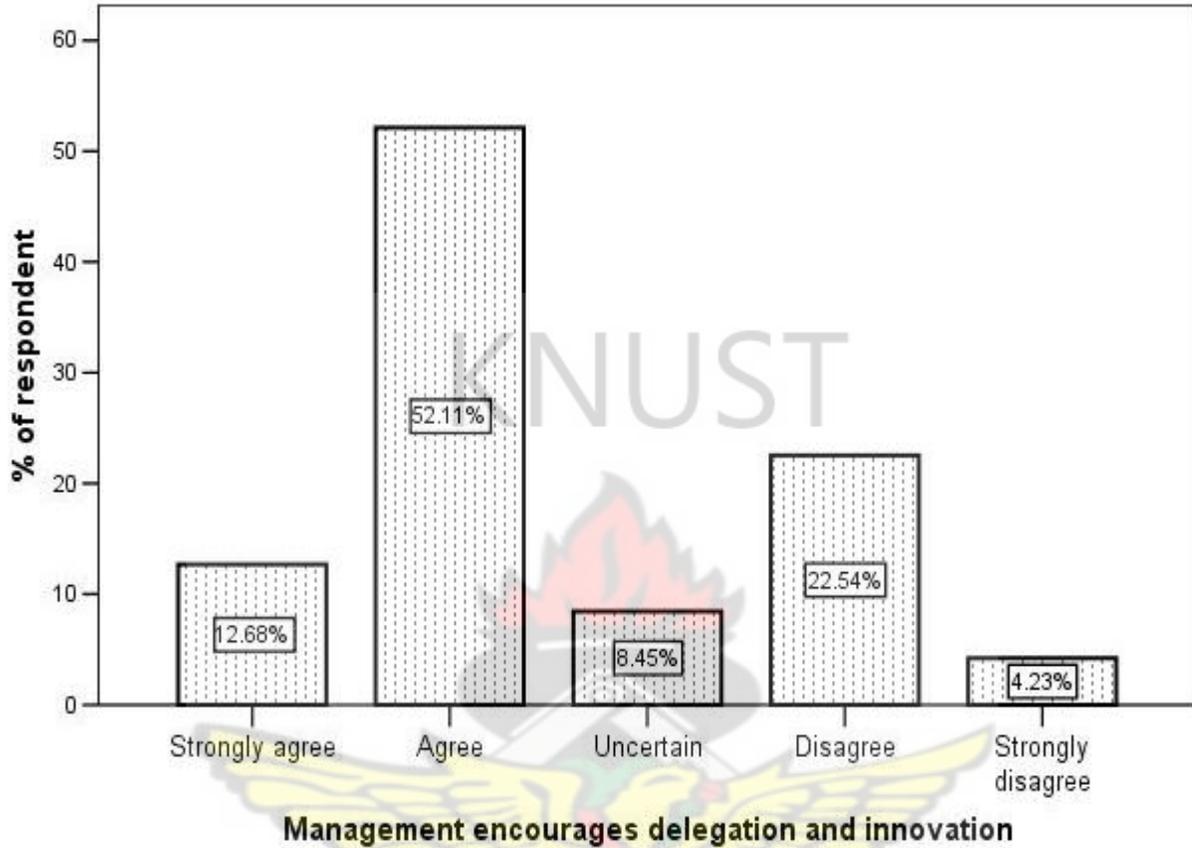
**Figure 4.9.** Authority inherent in member's positions



#### **4.2.7 Management style encourages delegation and innovation**

About 13% and 52% respectively strongly agree and agree that SSNIT encourages delegation and innovation in managing activities of the institution (Figure 4.10). Less than 30% of the respondents oppose this view.

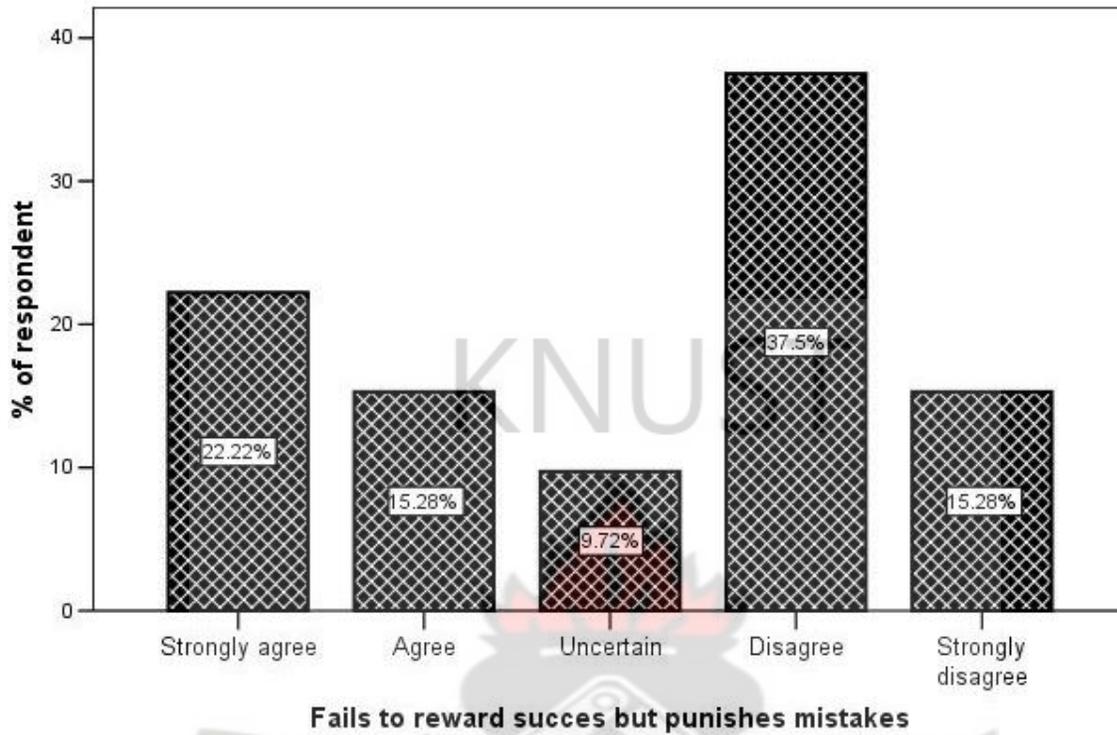
**Figure 4.10.** Management style encourages delegation and innovation



#### **4.2.8 SSNIT rewards success but punishes mistakes**

The unwritten norm at SSNIT, according to the respondents, suggests that the institution generally reward success (~ 52%). About 10% of employees were not certain about this while the remaining proportion generally disagree to this, as illustrated in Figure 4.11.

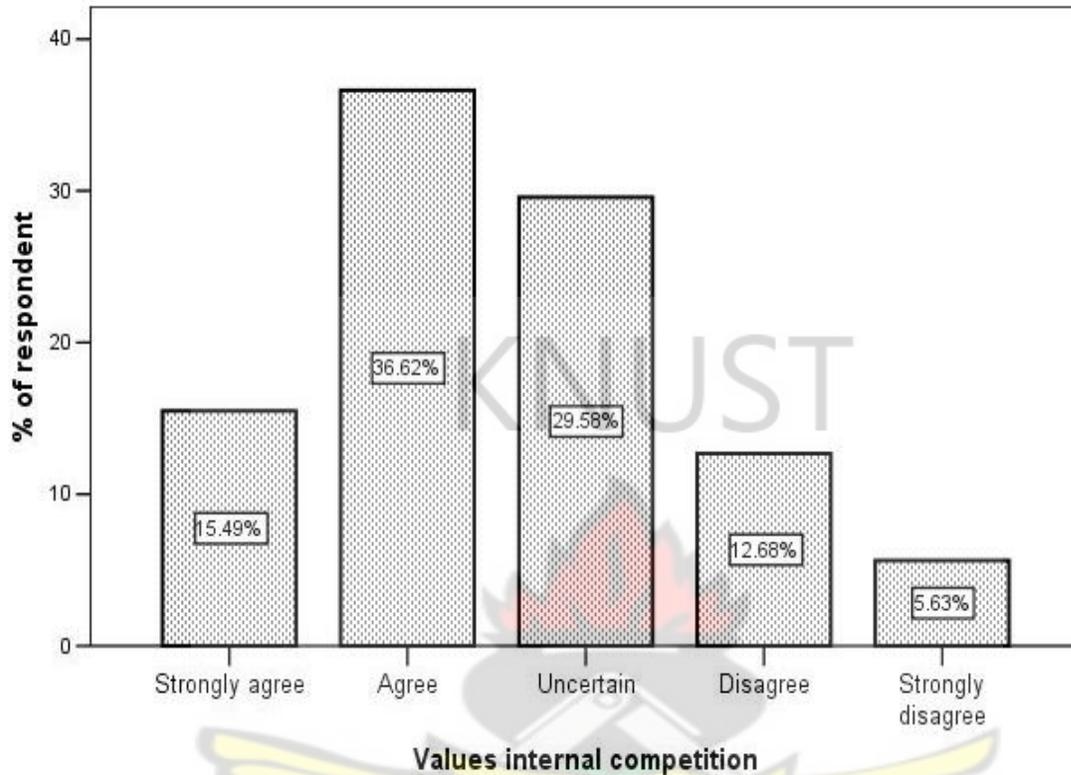
**Figure 4.11.** SSNIT fails to reward success but punishes mistakes



#### **4.2.9 SSNIT Values Internal Competition**

From Figure 4.12, it is evident that more than half (~ 52%) of the employees were of the view that SSNIT does values competition and actually rewards workers who out-perform their colleagues. About 30%, which is on a high side, were uncertain about this in the institution. The remaining percentage of respondents had a contrary opinion about this culture.

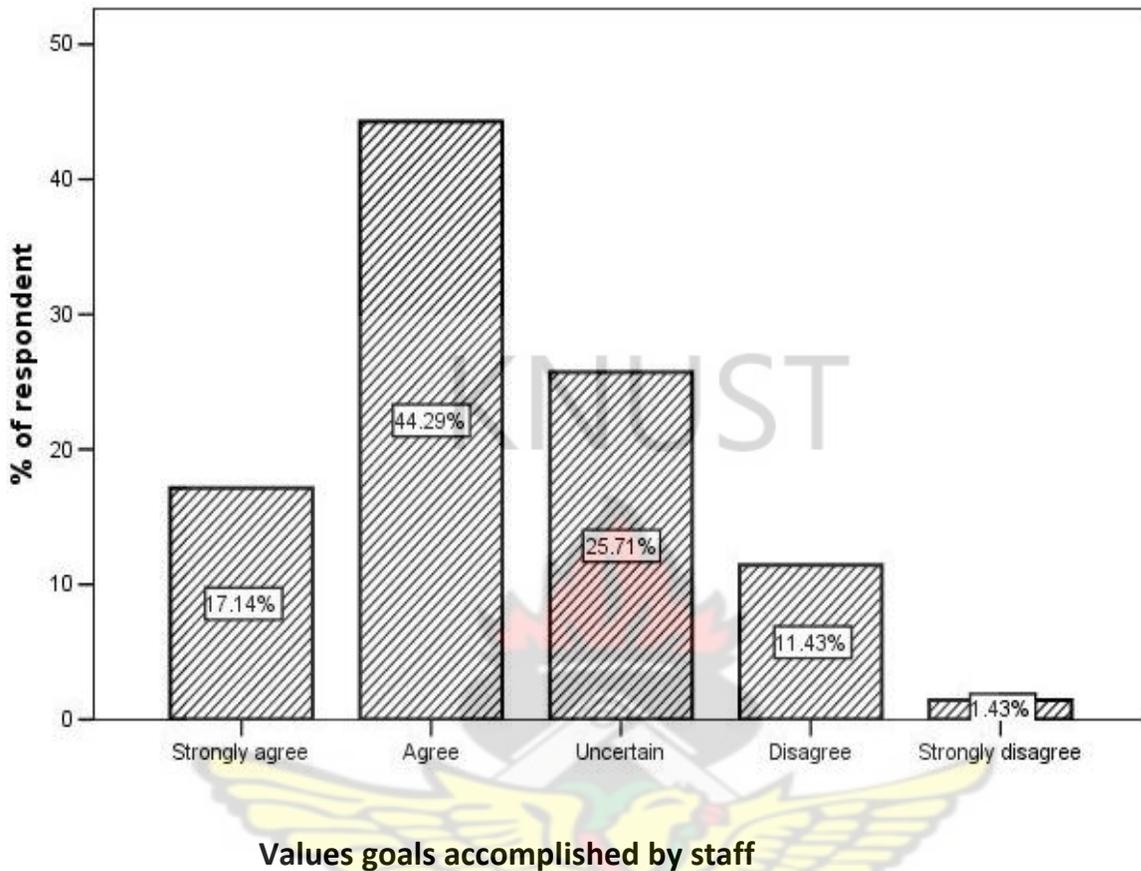
**Figure 4.12.** SSNIT values internal competition and rewards accordingly



#### **4.2.10 SSNIT Values goals accomplished by staff**

Figure 4.13 demonstrates that majority of the respondents (~ 61%) were aware that SSNIT values employees who set and accomplish challenging but realistic goals. The remaining proportion was either uncertain or disagreed to an extent on this.

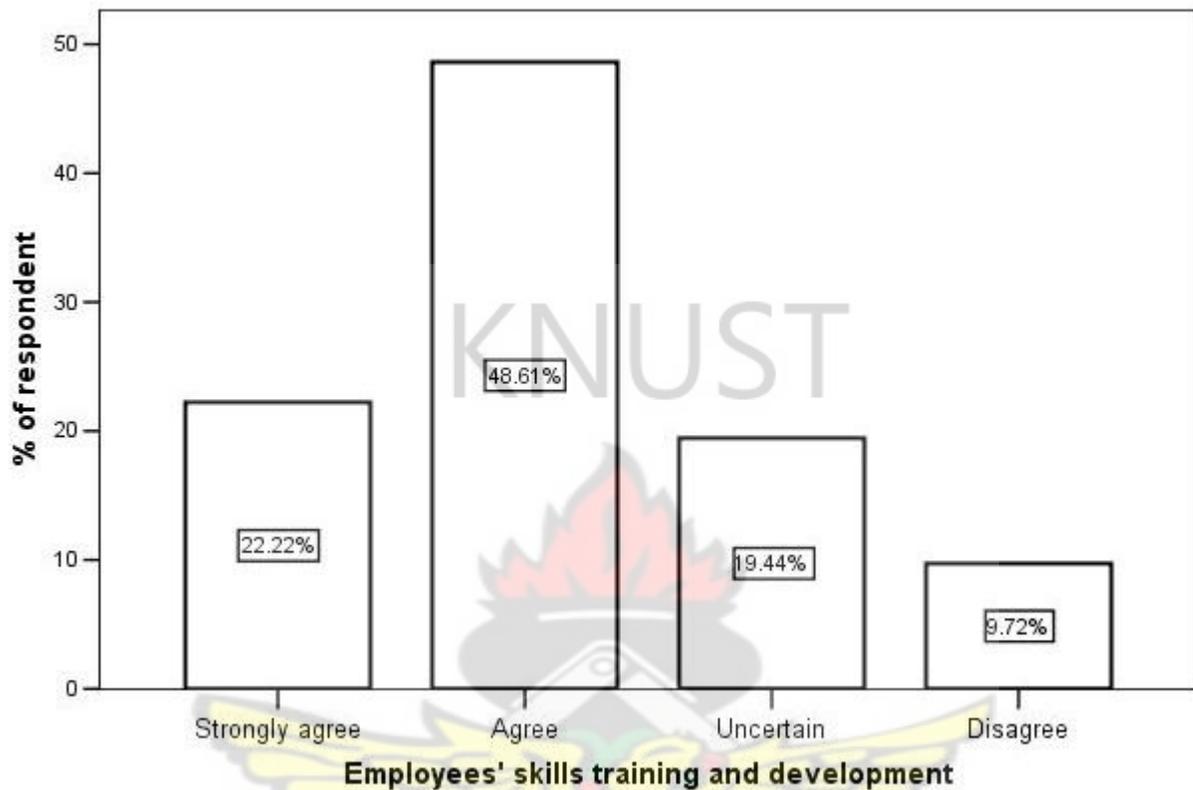
**Figure 4.13.** SSNIT values employees who set challenges and accomplish goals



#### **4.2.11 Perception of Respondents on Employees skills training and development**

On whether SSNIT help refine, improve and develop the skills of its employees in order to meet the changing need of the institution, about 71% of the respondents affirmed this (Figure 4.14). Less than 10% of the people were of the opposite view while the remaining were uncertain.

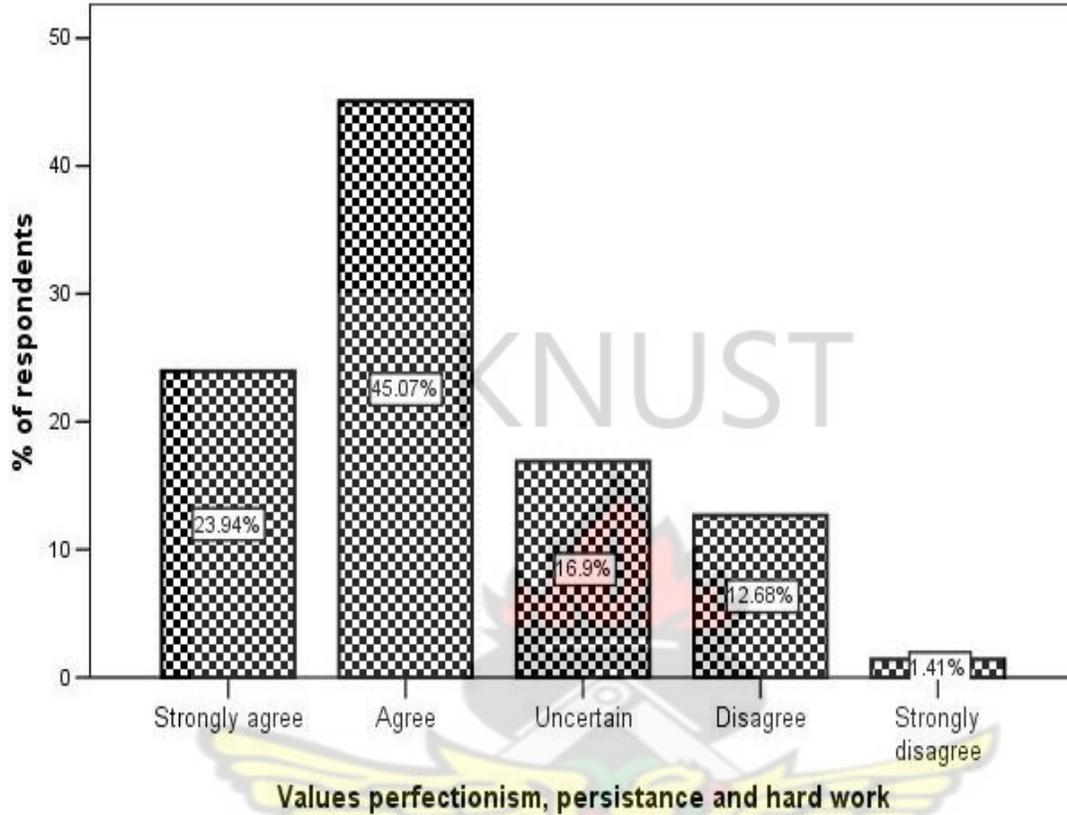
**Figure 4.14.** SSNIT refines, improves and develops employee's skills to meet changing needs



#### **4.2.12 SSNIT values perfectionism, persistence and hard work**

Also, majority of the respondents were of the view that SSNIT valued perfectionism, persistence and hard work (SA: ~24%; A: ~45%). Only a few (~13%) were of the opposite view while the rest were uncertain, as illustrated by Figure 4.15.

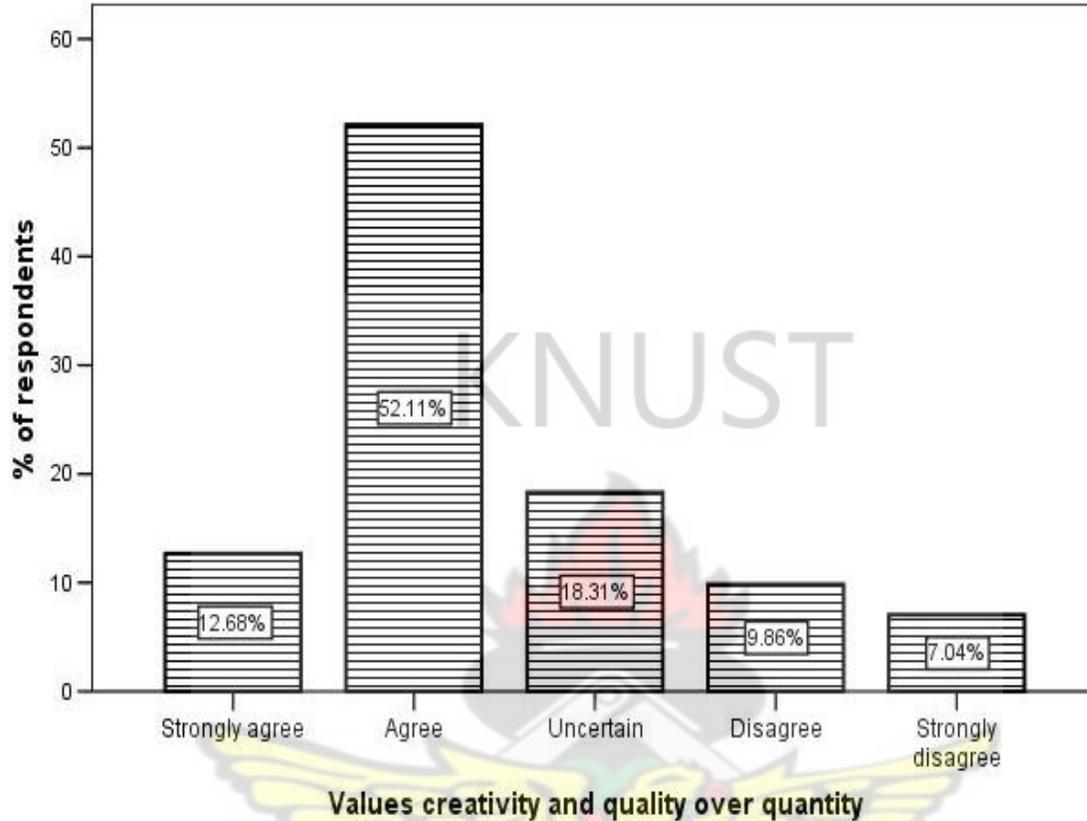
**Figure 4.15.** SSNIT values perfectionism, persistence and hard work



#### **4.2.13 SSNIT values creativity and quality over quantity**

SSNIT was reported by approximately 65% of the respondent to have a culture that values creativity and quality over quantity. This is detailed in Figure 4.16. About 18% of the respondent, on the other hand, were uncertain while ~17% were of a contrary view of this assertion which was proposed to exist within the institution.

**Figure 4.16.** SSNIT values creativity and quality over quantity



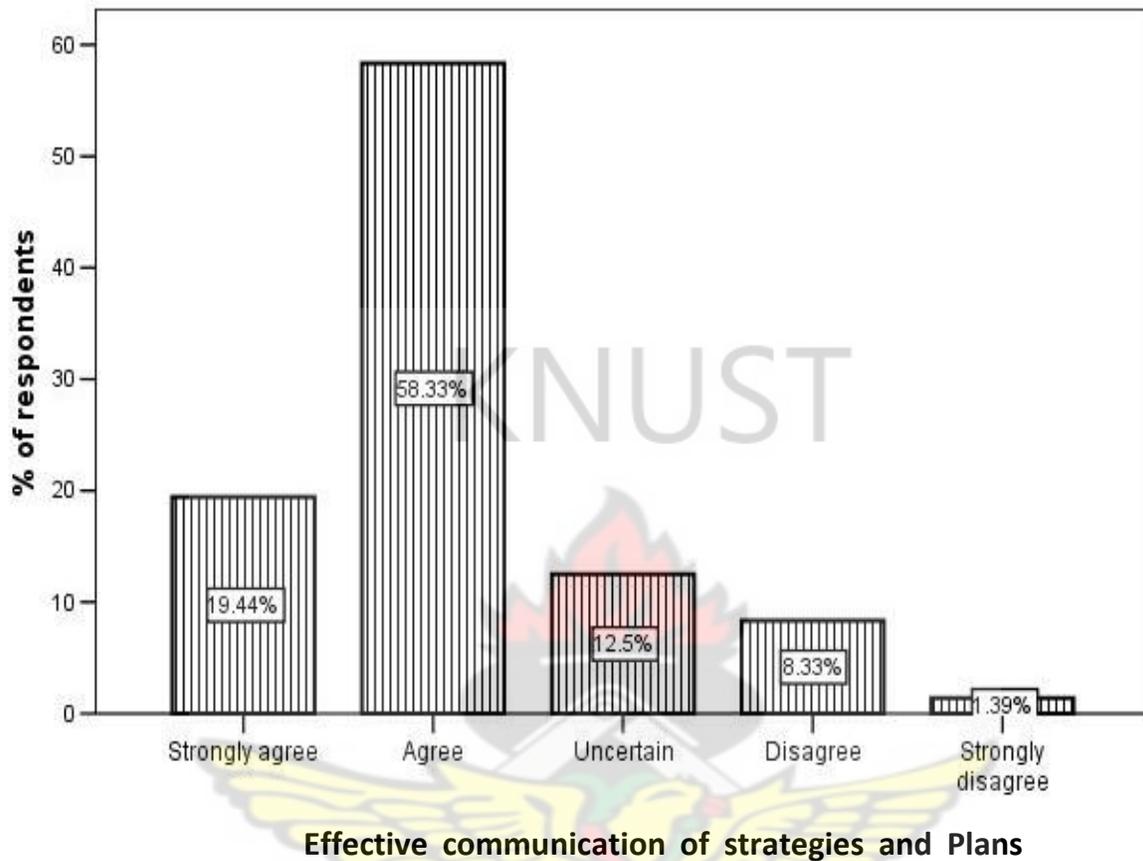
### 4.3 Perception of Performance Issues

This section reports on the investigations conducted on the perception of performance among staff. Respondents responded very well to this section and the detailed results are presented below:

#### 4.3.1 Effective Communication of strategies and plans to staff

On the question of whether the strategies and plans of SSNIT are effectively communicated to staff, more than three-quarters (~ 78%) of the respondents agreed to some extent that it was so, detailed in Figure 4.17. The remaining respondents were either uncertain about this issue (12.5%) or in disagreement to some degree (~ 10% cumulatively).

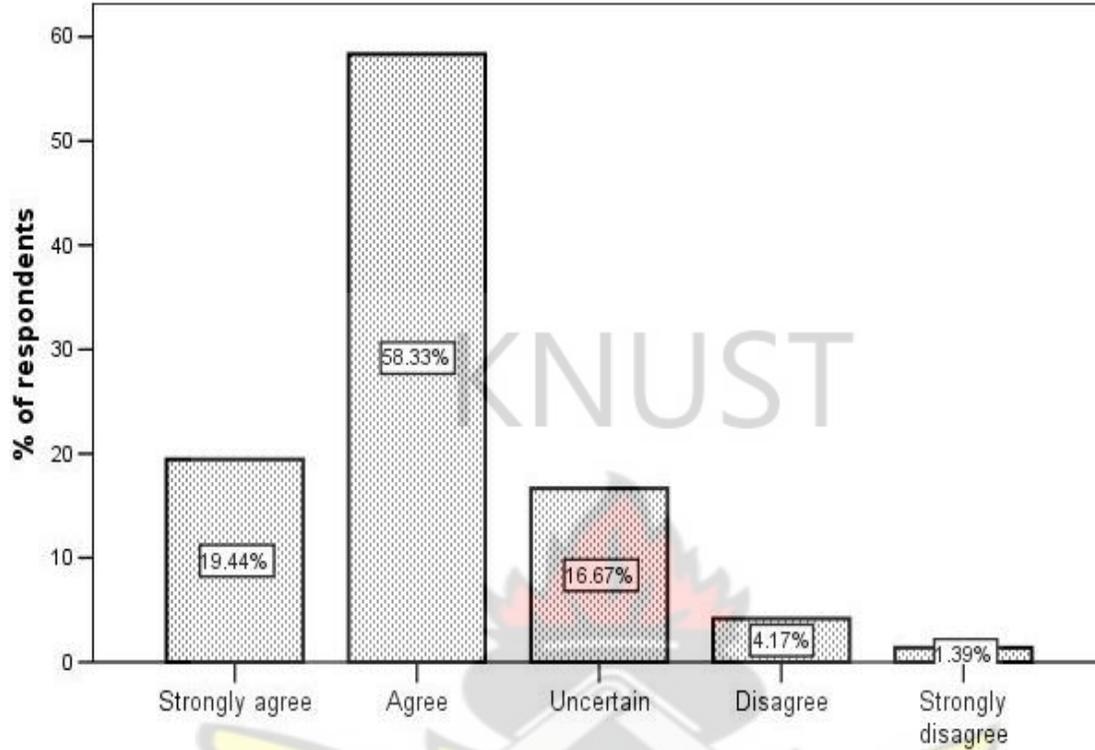
**Figure 4.17.** Strategies and plans are effectively communicated to SSNIT staff



#### **4.3.2 Perception of respondents on the mission and vision of SSNIT**

Figure 4.18 illustrates that the mission and vision of SSNIT were generally understood by staff (~ 78%). 16.67% of the staff were uncertain while less than 6% of the staff perceive that the mission and vision were not clearly understood.

**Figure 4.18.** Perception about mission and vision of SSNIT by respondents



**Mission and Vision clearly understood by staff**

**4.3.3 Perception of respondents on responsibility and accountability of staff**

Approximately 26% of the respondents strongly agreed that the responsibilities and accountabilities of staff are clearly defined. About 53% of the staff also agreed to this perception but 10% of them were uncertain while another 10% disagreed. Less than 2% of the respondents were in strong disagreement to this perception, shown in Figure 4.19.

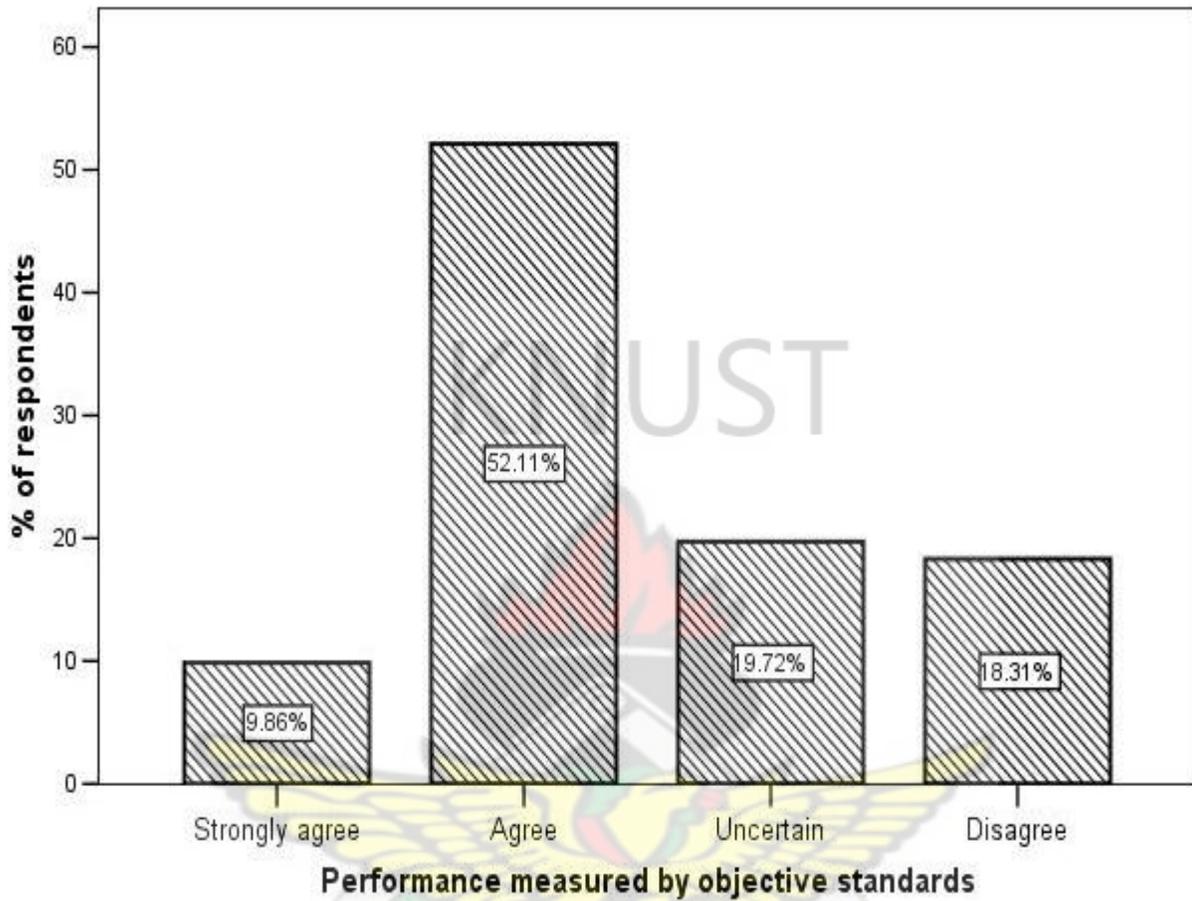
**Figure 4.19.** Perception on responsibility and accountability by respondents



#### 4.3.4 Performance measured by objective standards

A little above half (~52%) of the respondents were of the view that the performance of staff was measured by objective standards. About 10% of them were in strong agreement to this perception. About 20% of the respondents were uncertain while 18.31% disagreed to this notion as illustrated in Figure 4.20.

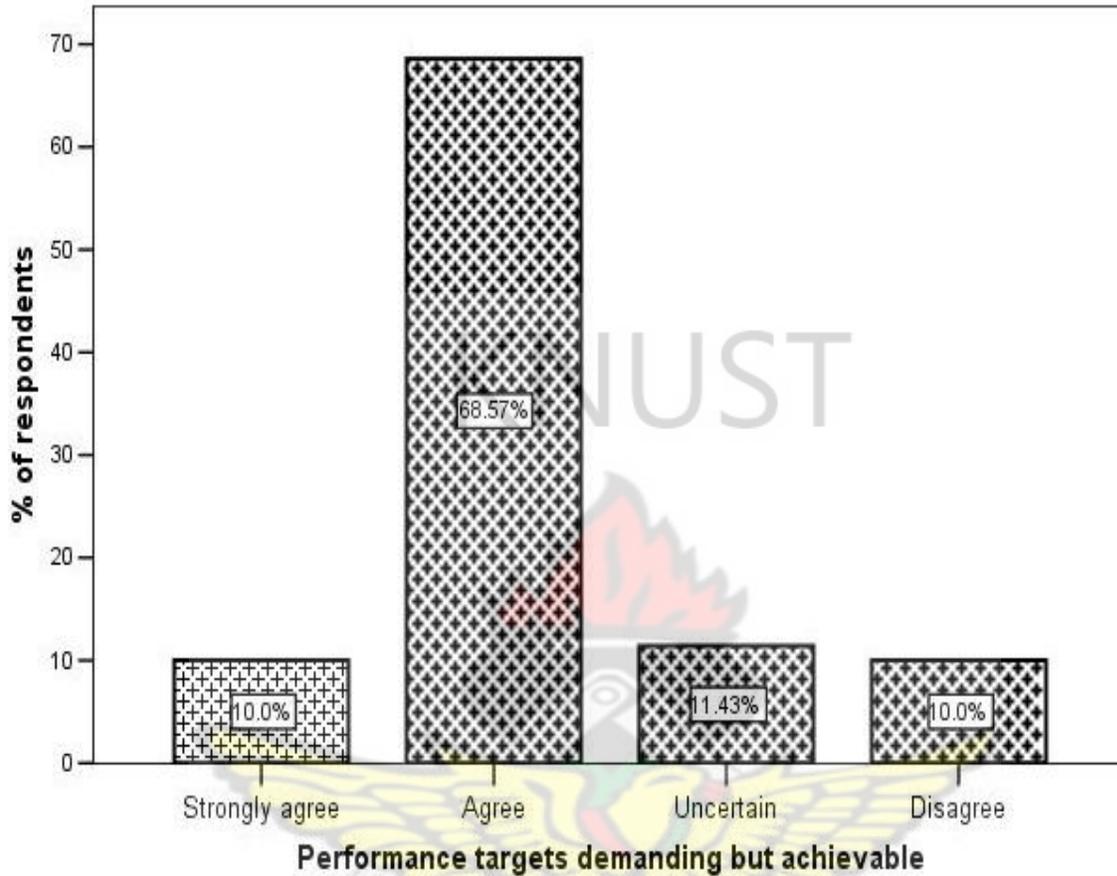
**Figure 4.20.** Objective standard for measuring performance



#### **4.3.5 Perception of respondents on performance targets**

On the perception of performance targets within SSNIT, 10% and approximately 69% of the respondents strongly agreed and agreed respectively that though the targets were demanding, they were achievable. About 11% and 10% were uncertain and disagreed to this perception. This is detailed in Figure 4.21.

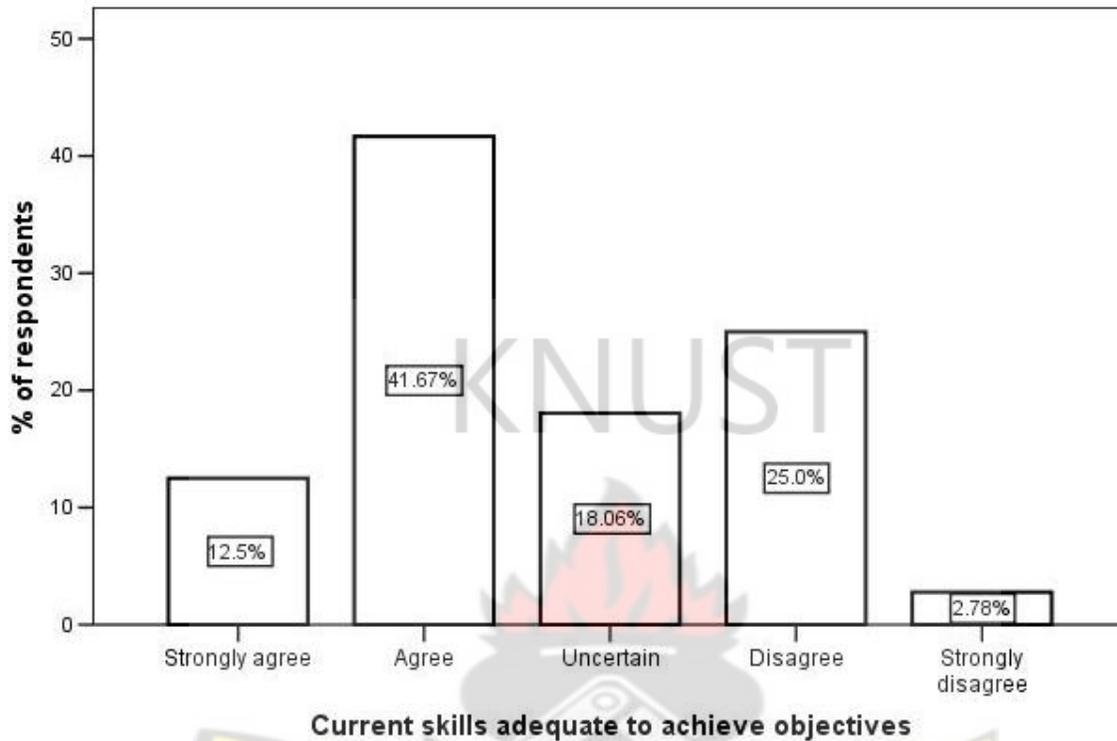
**Figure 4.21.** Perception on performance targets in SSNIT



#### **4.3.6 Perception of Respondents on current skills of SSNIT staff**

25% of the respondents disagreed that the current skills of employees were adequate to achieve the objectives of SSNIT. About 3% strongly disagreed as well. 18.06% were uncertain and the remaining proportion (~ 54%) was in agreement, to an extent as detailed in Figure 4.22, that the current skills were adequate to meet set objectives of SSNIT.

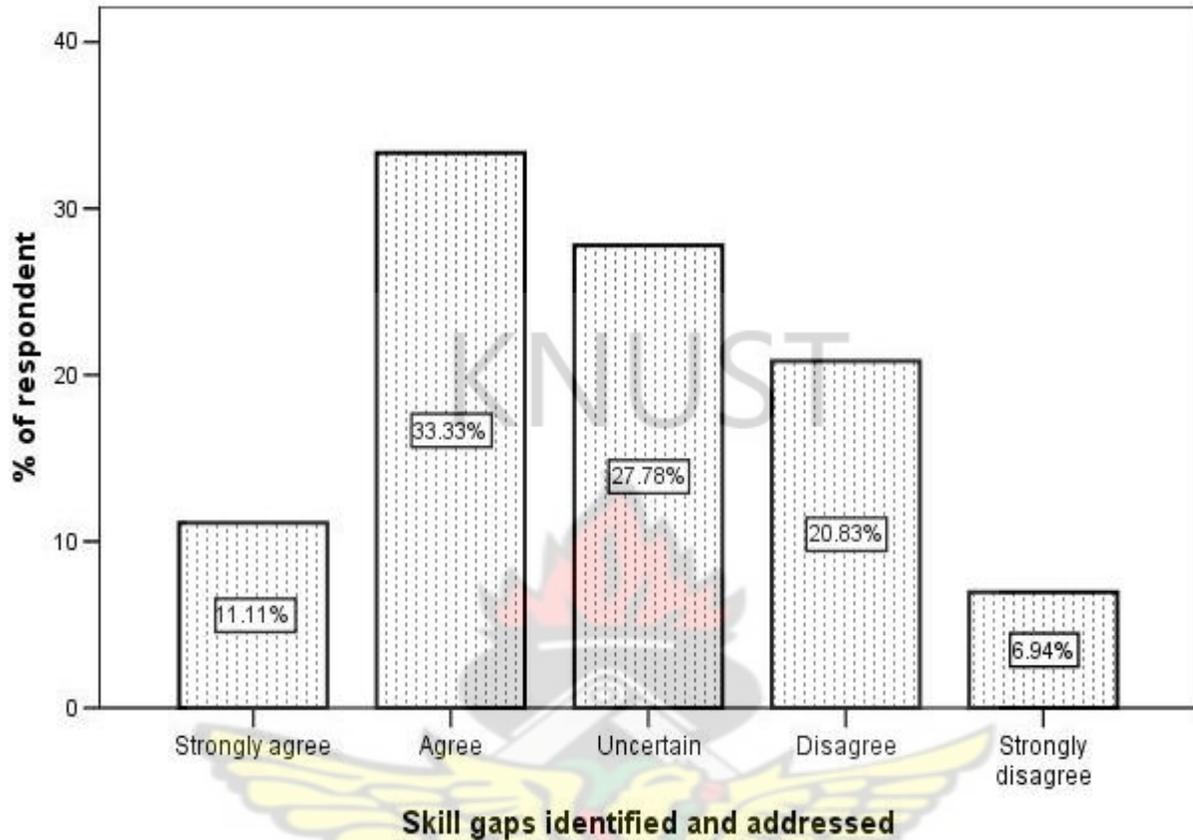
**Figure 4.22.** Perception on current skills of SSNIT staff



#### **4.3.7 Perception of respondents on skill gap of employees in SSNIT**

To buttress the issue of skills in SSNIT, 11.11% and 33.33% of the staff strongly agreed and agreed respectively that skill gap of employees were adequately identified and addressed by the institution. This notwithstanding approximately 21% and 7% disagreed and strongly disagreed respectively with this perception while 27.78% of the respondents remained uncertain on this issue, as illustrated in Figure 4.23.

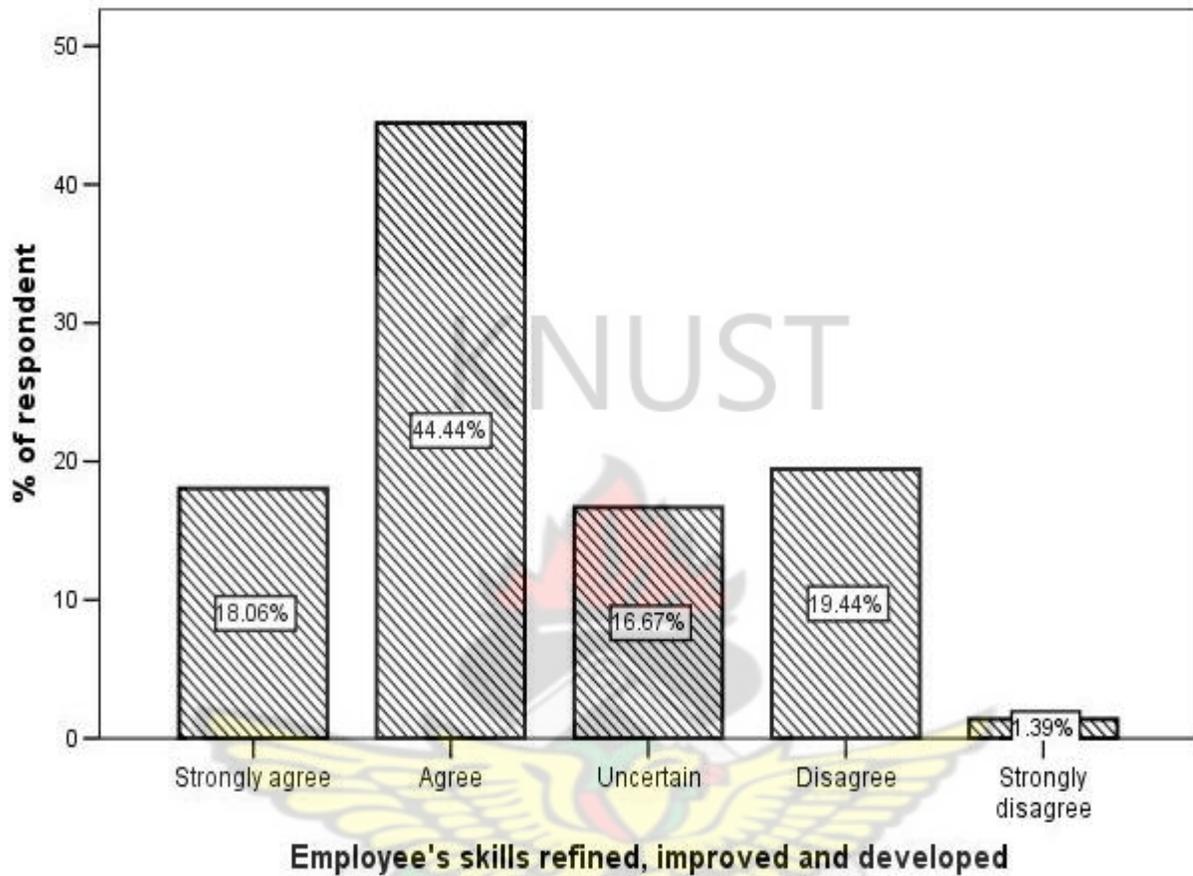
**Figure 4.23.** Perception on skill gap in SSNIT



#### **4.3.8 Perception of Respondents on skill development of SSNIT staff**

Still on the issue of skill development of staff in SSNIT, the perception that employee’s skills are refined, improved and developed to meet the changing needs of the institution was investigated. Figure 4.24 shows that only about 31% of the respondents, to an extent disagreed to this perception while cumulatively to an extent, 62% were in agreement to this perception.

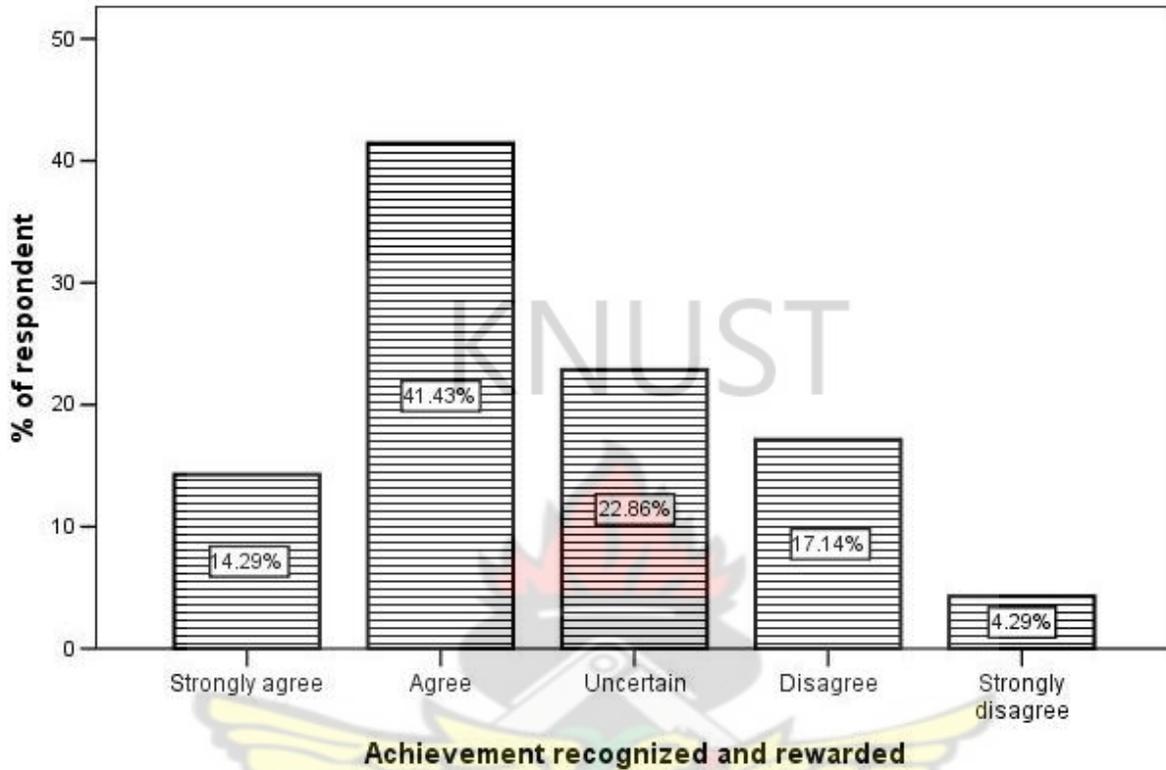
**Figure 4.24.** Perception of employees of SSNIT on skills development



#### **4.3.9 Extent to which achievement is encouraged and rewarded at SSNIT**

More than 50% of the staff upheld that perception that achievement within SSNIT was recognized and rewarded accordingly by the institution. As detailed in Figure 4.25, approximately 21% of the respondents, generally, were of the opposite view while about 23% remained uncertain in this issue.

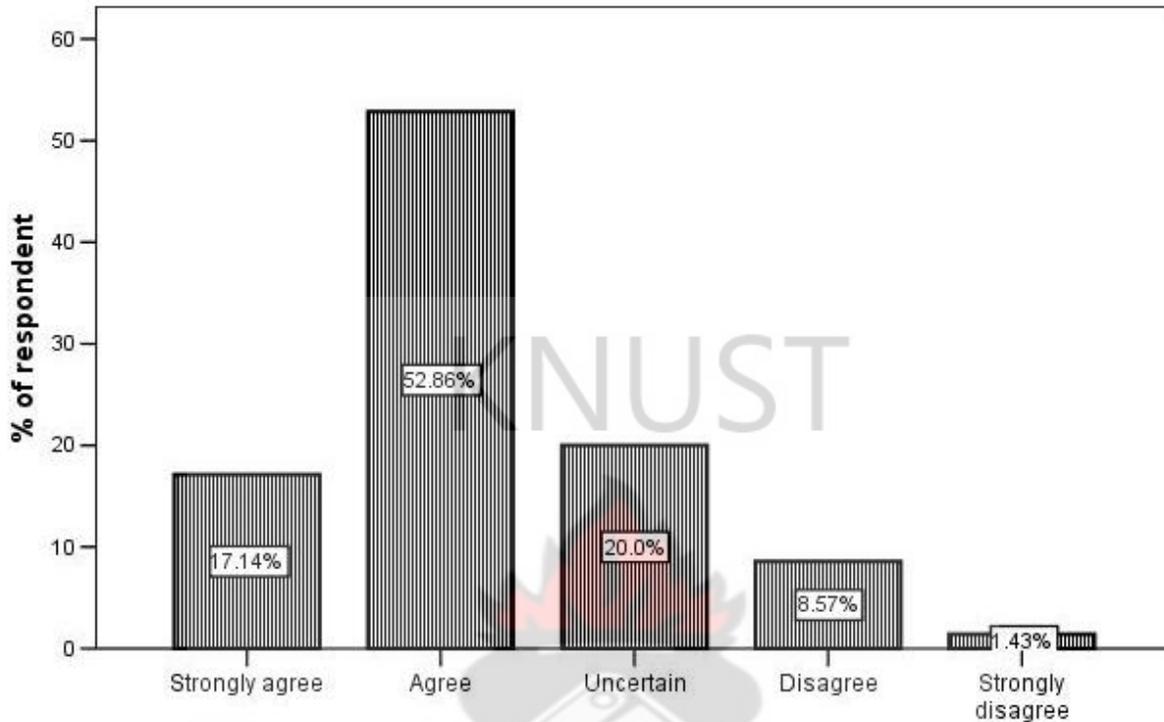
**Figure 4.25.** Perception of respondents on the recognition of achievement and reward of members by SSNIT



#### **4.3.10 Extent to which SSNIT is committed to continuous improvement**

SSNIT was generally demonstrated to be committed to continuous improvement as reported by 17.14% in strong agreement and 52.86% in agreement (Figure 4.26). Less than 10% of the staff opposed this view while 20% were uncertain.

**Figure 4.26.** Perception on continuous improvement by SSNIT

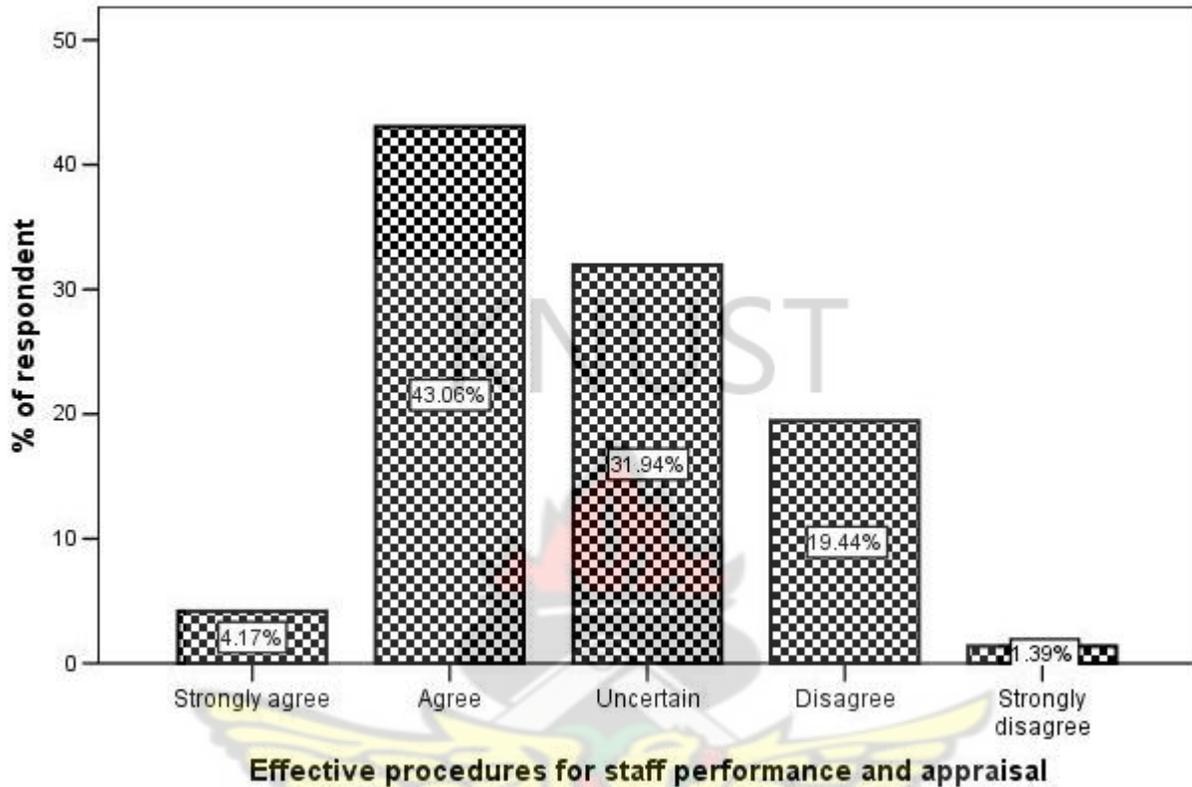


**Demonstrates commitment to continuous improvement**

**4.3.11 Perception of Respondents on effective procedures for staff performance and appraisal**

On the perception of performance appraisal, about 4% and 43% strongly agreed and agreed respectively that there was an effective procedure within SSNIT for this exercise. About 32%, as shown in Figure 4.27, were uncertain while 19.44% and 1.39% disagreed and strongly disagreed to this perception on performance appraisal.

**Figure 4.27.** Perception on effective procedures for performance appraisal by respondents in SSNIT



#### **4.4 EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE**

This section reports on the results obtained from the respondents on the effect or impact that the current organizational culture has on general performance in SSNIT.

##### **4.4.1 Assessment of current culture of SSNIT on performance**

Approximately 52% of employees assessed the current culture at SSNIT as being positive for performance. 39.13% were of the view that the culture was indifferent on performance while ~9% reported the current culture as negative for performance, illustrated by Figure 4.28. The

difference in the responses was, by Chi-square statistics at 95% confidence limit (CI), statistically significant ( $p < 0.0001$ ;  $\chi^2 = 20.609$ ).

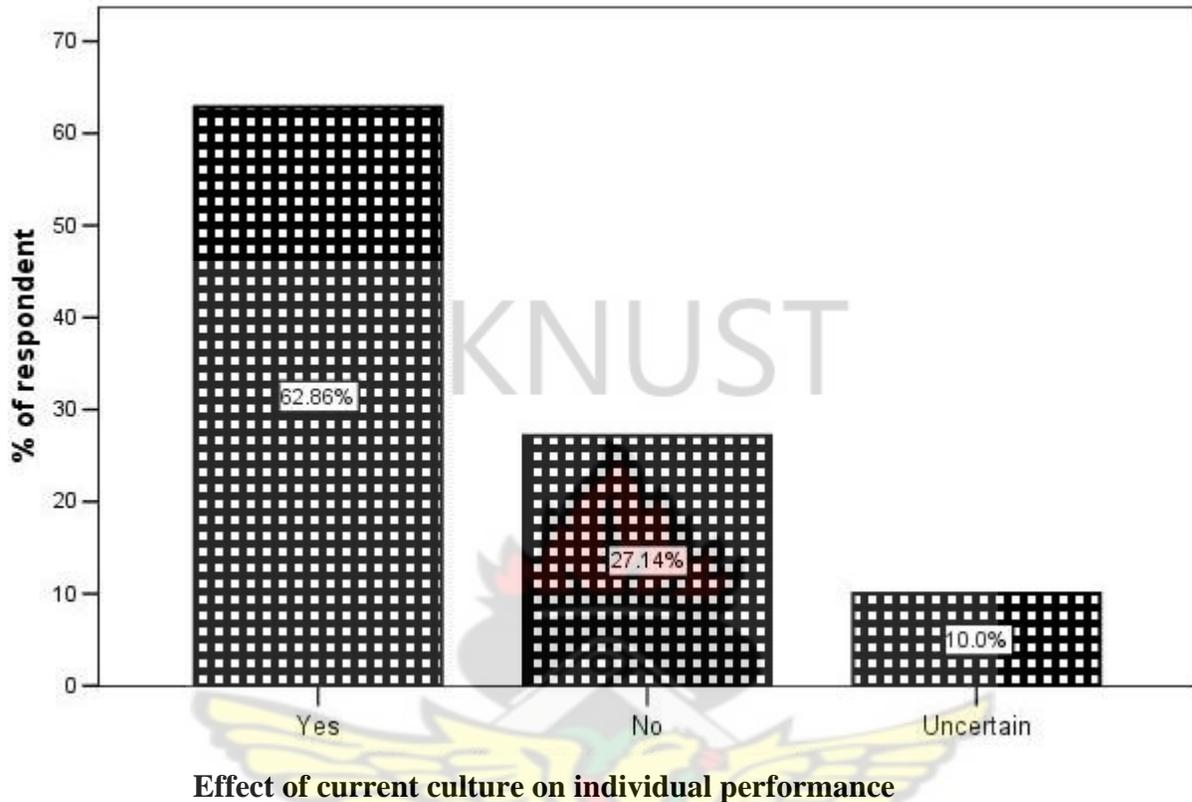
**Figure 4.28.** Assessment of organizational culture on performance



#### 4.4.2 Effect of current culture on individual performance

The respondents were asked whether this culture, being positive or negative, had any effect on their individual performance. About 63% responded “Yes” and 27% responded “No” while 10% were uncertain about the effect of the culture on their performance, shown in Figure 4.29. The difference in the responses to this culture (Appendix B) was also statistically significant ( $p < 0.0001$ ;  $\chi^2 = 30.543$ , at 95% CI).

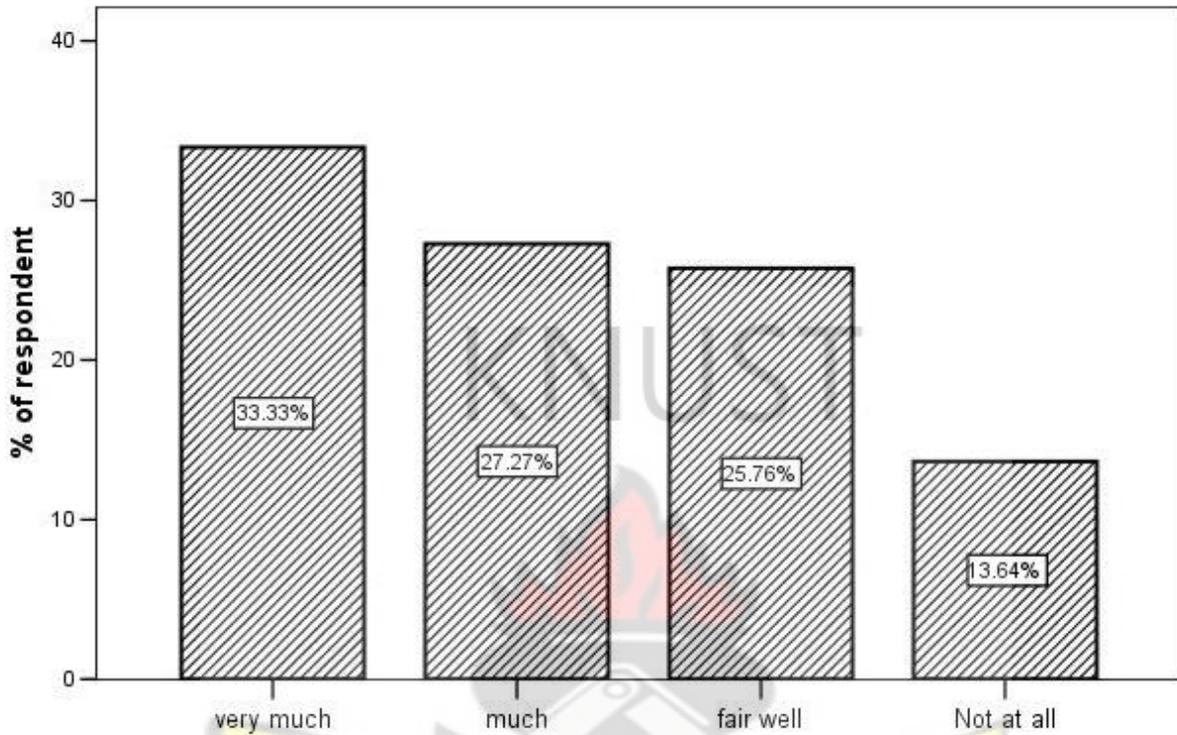
**Figure 4.29.** Effect of current organizational culture in SSNIT on individual performance



#### **4.4.3 Assessment of the effect of the Culture on employee performance**

The extent of the effect of the culture was assessed among the respondents. Figure 4.30 demonstrates that 33.33% and 27.27% had the culture affecting them very much and much respectively. About 26% of the respondents had the culture affecting them fairly well while 13.64 reported that the culture does not impact them in any way, whatsoever. These differences as observed in the responses were not statistically significant ( $p > 0.05$ ;  $\chi^2 = 5.394$ , at 95% CI)

**Figure 4.30.** Extent of the effect of culture on performance

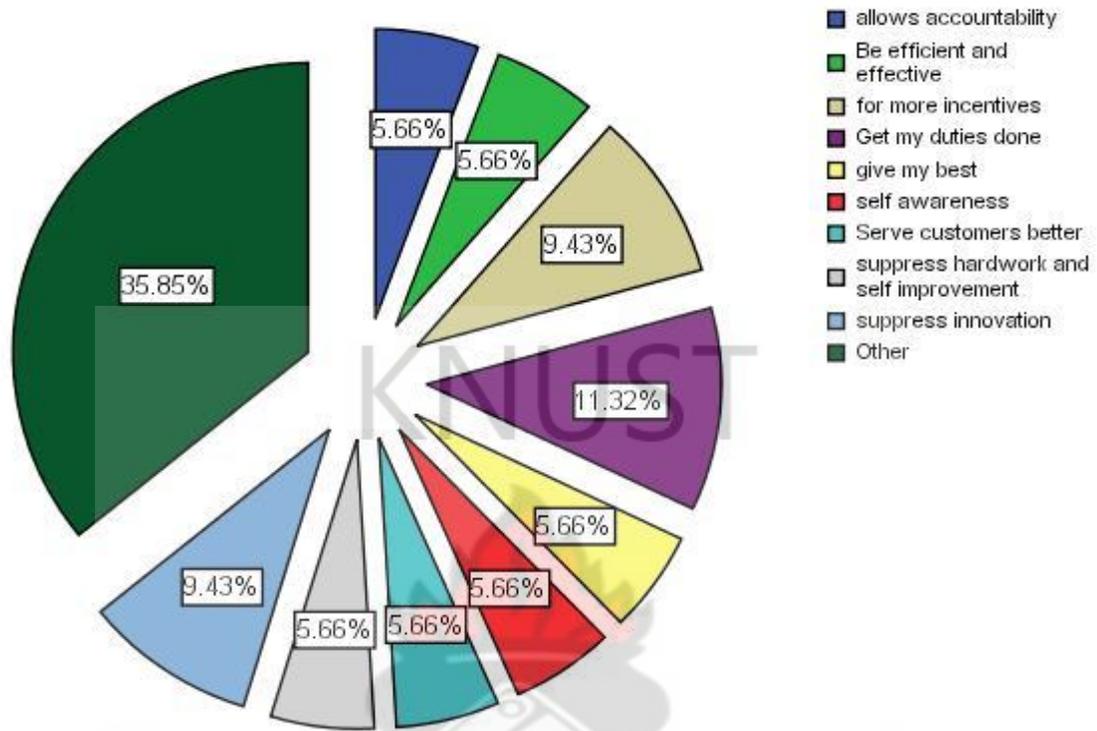


**Extent of the effect of culture on employee performance**

#### **4.4.4 Reasons assigned by Respondents for the effect of Organizational Culture on employee performance in SSNIT**

The major reasons given for the effect of culture in SSNIT on employee performance to the various degrees or extents are summarized in Figure 4.31

**Figure 4.31.** Reasons for effect/impact of organizational culture



Some of the single most important reasons for the impact and/or effect of the organizational culture on employee performance included “To get ones duties done and nothing more” (11.32%); “For more incentives” (9.43%); and “Culture suppresses innovation” (9.43%). Several reasons were also given (Appendix C) but their proportions were small hence had been combine as “Others” in the chart above. These reasons included bureaucracy (3.8%), encourage teamwork (1.9%), foster adaptability (1.9), proactiveness (1.9%), etc.

## CHAPTER 5

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter outlines the summarized version of the results, conclusion and recommendations obtained in this study.

#### 5.1 Summary Of Findings

Based on the analyzed data, the findings of this study include the following.

##### 5.1.1 Perception of Organizational Culture of SSNIT by respondents.

74% of the respondent agreed that SSNIT as an institution is managed in a participatory and people centered manner. However 62.86% had the view that SSNIT was a conservative, traditional and bureaucratically controlled institution. Whilst 42.85% either disagreed or strongly disagreed that SSNIT was hierarchically controlled and a non – participative establishment.

Cumulatively 56% agreed that communication system within SSNIT was timely and effective.

54% of the respondents were of the view that SSNIT is structured on the basis of authority inherent in members' position but 30% were uncertain about this assertion. However, 54.41% agreed that the structure of SSNIT is flexible and responsive to changing need. Furthermore 65% agreed that SSNIT's encourages delegation and innovation in managing activities of the institution.

52% disagreed that SSNIT fails to award success but punishes mistakes and this was affirmed by 52% who were of the view that SSNIT does value competition and actually rewards workers who out-perform their colleagues. However 30% of the respondents were uncertain of this assertion.

61% were aware that SSNIT values employees who set and accomplish challenging but realistic goals. 71% affirmed that SSNIT helps to refine, improve and develop the skills of its employees in order to meet the changing need of the institution.

Although 68.01% agreed that SSNIT values perfectionism, persistence and hard work, 65% of the respondent were of the view that SSNIT has a culture that value creativity and quality over quantity.

### **5.1.2 Perception on Performance Issues in SSNIT by respondents**

78% agreed that strategies and plans of SSNIT are effectively communicated to staff and less than 6% perceived that the mission and vision of SSNIT were not clearly understood. More so less than 2% of the respondents were in strong disagreement with the assertion that responsibility and accountability were clear to staff.

Only 10% of the respondents strongly believed that the performance of staff was measured by objective standards. However approximately 69% agreed that though performance targets set were demanding, they were achievable. Although 43.06% agreed that SSNIT has effective procedures lay down for staff performance and appraisal, 31.94% were uncertain of this.

41.67% agreed that the current skills of the SSNIT staff were adequate to achieve the corporate objectives, but 25% of the respondents disagreed with this assertion. Furthermore 28% disagreed that skill gaps of staff are identified and addressed but 27.78% of the respondents remained uncertain on this issue. However 62% agreed that employees' skill are refined, improved and developed to meet the changing needs of SSNIT.

Although 41.43 agreed that SSNIT recognized achievement and awarded staff accordingly, 22.86% of the respondents were uncertain of this.

Finally almost 70% of the respondents were of the view that SSNIT generally demonstrate commitment to continuous improvement.

### **5.1.3 Effect of Organization Culture on Employee Performance in SSNIT**

52% of the respondents assessed the current culture of SSNIT as being positive for performance. However 39.13% were of the view that it was indifferent on performance. The difference in the responses was statistically significant as evidenced by hypothesis tested in which the calculated value of chi – square was greater than the tabulated value of chi – square.

63% of the respondents agreed that was a positive relationship between Organizational Culture and employee performance. This was evidenced in the hypothesis tested in which the calculated value of chi – square was greater than the tabulated value which made us to accept the alternative hypothesis ( $H_1$ ) and reject null hypothesis ( $H_0$ ).

Major reasons assigned for the positive effect or impact of Organizational Culture on employee performance by 78% of the respondents amongst others were:

- (i) Helps them get their duties done.
- (ii) Helps them to give their best.
- (iii) Gives room for more incentives.
- (iv) Allows accountability.
- (v) Makes one's efficient and effective.

- (vi) Able to serve customer better.
- (vii) Able to set goals and achieve them.

However 22% of the respondents were of the view that the Organizational Culture in SSNIT has negative effect on employee performance assigned the following reasons among other:

- Conservative and bureaucratic.
- Suppress hard work and self.
- Suppress innovation.

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## 5.2 Conclusion

It is deduced from this study that both the soft and hard concept of organizational culture is evident in the structure of SSNIT.

Furthermore SSNIT embraces all the four types organizational culture identified by Cook and Rousseau, (1988) namely co-operative, competitive, passive and aggressive culture in its administration and operation.

These concepts have reflected in the performance issues in SSNIT thereby performance impacting positively on employee performance in SSNIT as portrayed by the reasons assigned by the respondents.

It could therefore be concluded from this study that organizational culture is very important and that it has positive impact on employee performance.

## 5.3 Recommendations

The following recommendations are made to the management of SSNIT;

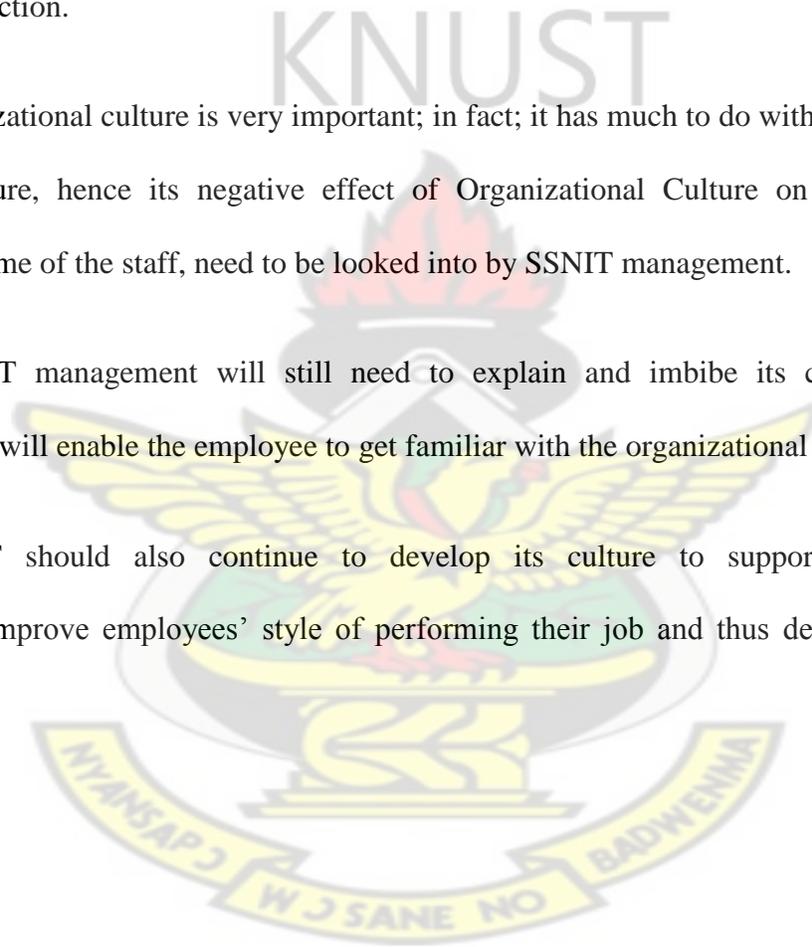
Firstly, SSNIT should keep on blending the different types of organizational cultures in its administration and operational activities this impact positively on employees' performance

Secondly, The various concept of organizational culture should also keep on reflecting in employees performance issues in SSNIT to help staff perform efficiently and effectively to enable SSNIT achieve its mission, vision and its primary objective which is about quality customer satisfaction.

Thirdly, Organizational culture is very important; in fact; it has much to do with a company's success or failure, hence its negative effect of Organizational Culture on performance expressed by some of the staff, need to be looked into by SSNIT management.

Fourthly, SSNIT management will still need to explain and imbibe its culture in its employees; this will enable the employee to get familiar with the organizational systems.

Finally, SSNIT should also continue to develop its culture to support continuous improvement, improve employees' style of performing their job and thus develop quality awareness.



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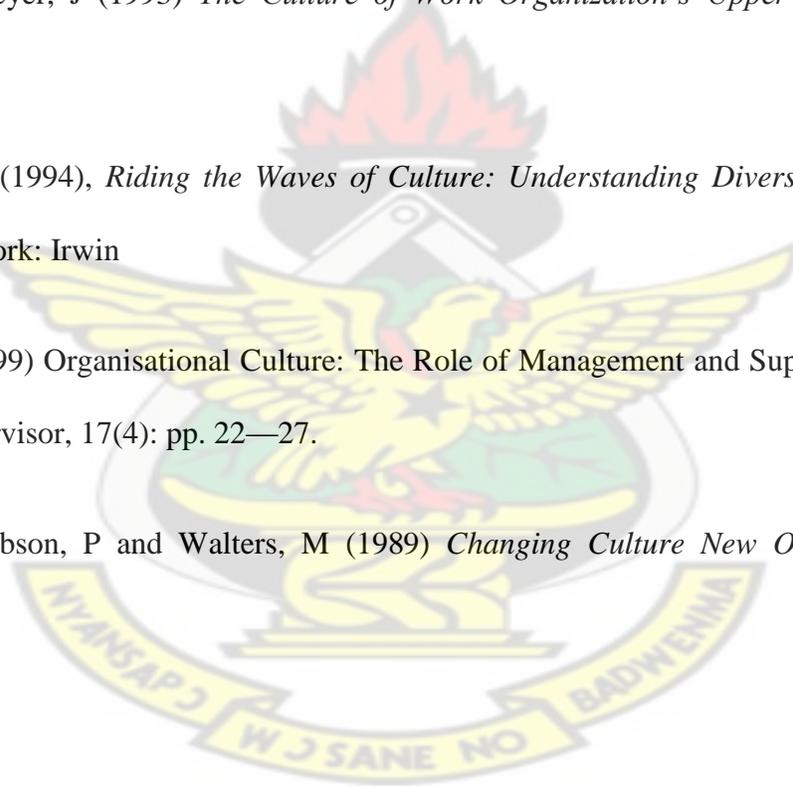
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## APPENDIX A

### EFFECTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE QUESTIONNAIRE.

“Culture” in an organization refers to the usually “unwritten” norms and practices that have become universally accepted by all staff of the organization as the “way they do things”. The culture of an organization can either facilitate or hinder the growth of the organization and the achievement of its business strategy.

This survey is therefore being conducted to determine the culture of SSNIT as perceived by its staff and its effects on staff’s performance.

This is an academic exercise and hence every information provided will be treated as confidential. Thank you.

#### SECTION A:

All respondents should please tick as appropriate

1. Gender: (a) Male  (b) Female
2. Age: (a) Under 25 years  (b) 25 – 34 years  (c) 25 – 59 years
3. Grade: (a) Junior Staff  (b) Senior Staff  (c) Management
4. Number of years of service in SSNIT:  
(a) Below 5 years  (b) 6 – 10 years  (c) 11 – 15 years   
(d) 16 – 20 years  (e) Above 20 years
4. State your current Area / Branch .....
5. State your current Unit .....

**SECTION B: ASSESSMENT OF ORGANIZATIONAL CULTURE IN SSNIT  
BY RESPONDENT**

In each of the following statements, tick the level of agreement or disagreement that you personally feel.

SA=Strongly Agree      A=Agree      U=Uncertain

D=Disagree      SD=Strong Disagree

A: CULTURE ASSESSMENT IN SSNIT	SA	A	U	D	SD
1. SSNIT is managed in a participative and person-centered way.					
2. SSNIT is conservative, traditional and bureaucratically controlled institution.					
3. SSNIT is hierarchically controlled and non-participative institution.					
4. SSNIT has timely and effective staff communication system.					
5. SSNIT's structure is flexible and responsive					

to changing needs.					
6. SSNIT is structured on the basis of authority inherent in members' positions.					
7. SSNIT's management style encourages delegation and innovation.					
8. SSNIT fails to reward success but punishes mistakes.					
9. SSNIT values competition; employees are rewarded for out performing one another.					
10. SSNIT values employees who set and accomplish challenges but realistic goals.					
11. Employees' skills are refined, improved and developed to meet the changing needs of SSNIT.					
12. SSNIT values perfectionism,					

persistence and hard work.					
13. SSNIT values creativity and quality over quantity.					

**SECTION C: PERCEPTION OF RESPONDENT ON PERFORMANCE ISSUES IN SSNIT**

In each of the following statements, tick the level of agreement or disagreement that you personally feel.

SA=Strongly Agree      A=Agree      U=Uncertain

D=Disagree      SD=Strong Disagree

B: PERCEPTION OF PERFORMANCE ISSUES	SA	A	U	D	SD
1. SSNIT's strategy and plans are effectively communicated to staff.					
2. SSNIT's mission and vision are clearly understood by staff.					
3. Responsibilities and accountabilities of staff are clear.					

4. Performance is measured objective standards.					
5. Performance targets are seen to be demanding but achievable.					
6. Current skills of employees are adequate to achieve SSNIT's objective.					
7. Skill gaps of employees are identified and addressed.					
8. Employee's skills are refined, improved and developed to meet the changing needs of SSNIT.					
9. Achievement is recognized and rewarded by SSNIT.					
10. SSNIT demonstrates commitment to continuous improvement.					

11. SSNIT has effective procedures for staff performance appraisal.					
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**SECTION D: IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE IN SSNIT**

Please tick on response that best describes your position/impression.

1. What is your assessment of your organization culture on your performance?
  - a) Positive
  - b) Indifferent
  - c) Negative
  
2. Does the current culture have any effect on your performance?
  - a) Yes
  - b) No
  - c) Uncertain
  
3. To what extent does the culture of SSNIT affect your performance?
  - a) Very Much
  - b) Much
  - c) Fair Well
  - d) Not At All
  
4. Give one major reason for your response to (3).

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