

**THE ASSOCIATION BETWEEN ORGANIZATIONAL CULTURE,
INNOVATION CAPABILITY AND FIRM'S PERFORMANCE AT GHANA
COMMERCIAL BANK LIMITED AND BARCLAYS BANK GHANA
LIMITED**

KNUST
By

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DECLARATION

I hereby acknowledge that the submission of this project work is the true result of my own original research work conducted in accordance with rules and regulations governing academic research at Kwame Nkrumah University of Science and Technology (KNUST), School of Business (KSB). This work has no material or section previously published by any other person; neither has it been submitted to any other university. All citations in this work are dully acknowledged according to the format of the university.

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DEDICATION

I dedicate this dissertation to my family and many friends. A special feeling of gratitude to my loving parents, Mr. George Amofa and Mrs. Rose Amofa whose words of encouragement and push for tenacity ring in my ears. My siblings Ama, Abena and Yaw have never left my side and are very special and I do appreciate you.

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ABSTRACT

The banking sector in Ghana is increasingly competitive. Banks are therefore expected to constantly improve their innovativeness as a way of maximising performance. Fortunately, organisational culture can be shaped to impact both innovation and performance. This study therefore examined the association between organisational culture, innovation capability and performance across two commercial banks in Ghana. A quantitative research design was adopted in this study. The study's population was employees at the head offices of Ghana Commercial Bank Limited (GCB) and Barclays Bank Ghana Limited (BBGL). All 161 and 109 employees from GCB and BBGL respectively who met some selection criteria were made to participate in this study. A self-reported questionnaire was used to collect data. Descriptive statistics, Pearson's correlated test, T-test, and Confirmatory Factor Analysis were used to analyse the data through Amos 8 software. Data analysis confirms that at both banks organisational culture makes a significant positive effect on innovation capability and bank performance. Innovation capability also makes a significant positive effect on bank performance. This relationship is however stronger at GCB on the basis of producing a total variance of 68.3% and a lower Akaike Information Criterion (AIC) of 43.22 in the factor analysis. In addition, the organisational culture of the two banks have no significant difference, but BBGL has a higher level of innovation capability and bank performance as compared to GCB. Innovation capability was found to partially mediate the relationship between organisational culture and bank performance. The study therefore concludes that improving organisational culture can increase both the level of innovation and bank performance. In view of the partial mediation, innovation capability is not a necessary requirement for organisational culture to impact bank performance.

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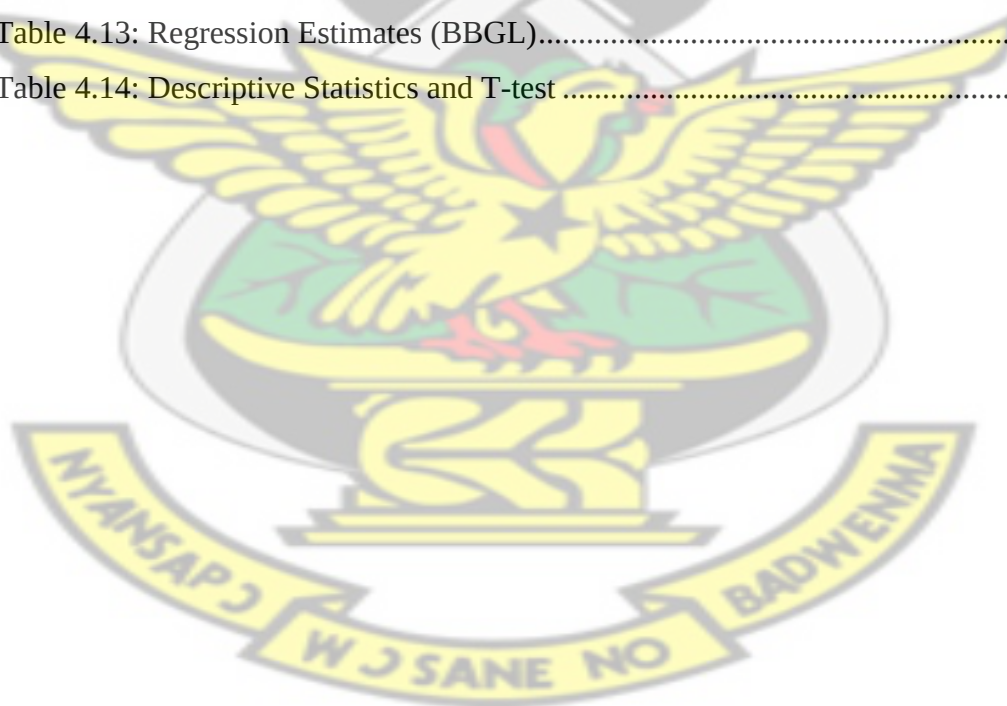
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LIST OF ABBREVIATIONS AND ACRONYMS

Abbreviation/Acronym	Full Name
AMOS	Analysis of Moment Structures
ASV	Average Squared Variance
AVE	Average Variance Estimate
BBGL	Barclays Bank Ghana Limited
BP	Bank Performance
CA	Chronbach's Alpha
CFA	Confirmatory Factor Analysis
C.R.	Critical Ratio
DV	Dependent Variable
EC	Employee Category
GCB	Ghana Commercial Bank
IC	Innovation Capability
MSV	Mean Squared Variance
OC	Organisational Commitment
S.E.	Standard Error
SPSS	Statistical Package for the Social Sciences
EFA	Exploratory Factor Analysis

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The global business environment is currently characterized by two problematic situations. The first is the fact that the worsening economic situation has made it more difficult for businesses to succeed in their markets (Yesil & Kaya, 2013; Zakari et al., 2013). High operational cost and shrinking business revenue are key attributes of this problem. The second situation is the increasing competition in many markets (Dahie et al., 2016), which has led to increased market risks and low viability of these markets. As a consequence, businesses are expected to distinguish themselves in the way they develop and deliver services or products to customers in an attempt to offer maximum customer value. To meet this expectation, businesses ought to apply the best organizational culture.

One of the simplest but most comprehensive definitions of organizational culture is 'values, beliefs and behaviors that differentiate one organization from another' (Uddin et al., 2013, p. 66). It is also the general way of life within a business or organization and is about what is of importance to the organization, what the organization thinks it can achieve and gain, and what behaviors are needed to realize these values and beliefs (Shahzad et al., 2012). Evidently, organizational culture is basically the social component of an organization and how this component thrives. Actions and inactions of employees within the organization is therefore influenced by organizational culture.

In every society, values and beliefs influence behaviors. The dos and don'ts of a community are therefore based on cultural values and beliefs. Organizational culture therefore determines the behavior of employees in an organization, and this behavior embodies commitment, loyalty, and job performance (Yesil & Kaya, 2013; Zakari et al., 2013). From this point of view, many studies (Wambugu, 2014; Wanjiku, N.A., Agusioma, 2014; Salihu et al., 2016) have confirmed that employee performance increases when organizational culture improves. Thus, there is a positive relationship between organizational culture and employee performance. Many other studies (Shahzad et al., 2012; Yesil & Kaya, 2013; Zakari et al., 2013) also confirm that organizational performance increases when organizational culture improves.

Organizational culture has also been recognized by some researchers (Yesil & Kaya, 2012; Namusonge et al., 2016) as a strong determinant of organizational innovation capability, which is primarily a measure of the extent to which the organization does things differently and uniquely (Yesil & Kaya, 2012). In the literature, a plethora of studies have confirmed the nexus between organizational culture and firm performance. The relationship between innovation and firm performance has also been confirmed to be positively significant (Ndesaulwa & Kikula, 2016), likewise the linkage between organizational culture and innovation (Yesil & Kaya, 2012). Previous research thus confirms that the effect of organizational culture on firm performance can be mediated by innovation. Invariably, organizational culture is likely to make a stronger impact on firm performance as the level of innovation in the organization increases. If this is the case, management may have to shape its organizational culture to encourage organizational innovation capability.

It has been observed however that very little research has gone into assessing the nexus between organizational culture, innovation, and firm performance in an attempt to evaluate the extent to which the relationship between organizational culture and firm performance has been mediated by innovation. Researchers (Yesil & Kaya, 2012; Namusonge et al., 2016) admit that the paucity of such studies undermines the need for organizations to shape their cultures to encourage innovation, or to make innovation part of their organizational culture. Of course, there is no basis for making innovation part and parcel of organizational culture if little is known about the mediation role of innovation capability in the relationship between organizational culture and firm performance. In this study therefore, an attempt is made to assess the mediation effect of innovation on the relationship between organizational culture and firm performance in two commercial banks in Ghana. This study is expected to contribute to knowledge on how to advance firm performance through the adoption of an organizational culture that encourages firm-level innovation. The problem addressed in this study is presented in the next section.

1.2 Statement of the Problem

Organizational culture would often differ from one organization to another, and even more highly differs between organizations operating in different geographical settings (Yesil & Kaya, 2013). For instance, firms in Europe or firms whose ownership can be traced to Europe often nurture a feminist organizational culture (Olanipekun et al., 2013). Their counterpart African firms are known to exist with masculinist organizational culture (Olanipekun et al., 2013, Zakari et al., 2013). A masculinist culture largely favors males in the work environment in terms of employment, career development opportunities, and remuneration (Zakari et al., 2013). Feminist culture,

on the other hand, largely favors females in the work environment in terms of employment, career development opportunities, and remuneration. As a consequence, a Ghanaian bank like UniBank is more likely to nurture a culture different from an European bank like Barclays Bank, though they operate in the same market. Sadly, the literature provides little evidence with respect to whether banks have different organizational cultures on the basis of country of origin (Salihu et al., 2016). Owing to this problem, research has not provided substantial evidence on whether or not an organizational culture can be more effective on the basis of country of origin.

Based on Zaka et al. (2013), it could be argued that organizational culture would not make any significant effect on the performance of an organization unless it is shaped to engender positive and relevant employee attitudes and behaviors. The level of effectiveness of organizational culture would therefore be determined by how it drives behaviors and attitudes that support workers' ability to carry out job roles. The fact is that behaviors and attitudes are driven by what goes into the development and management of organizational culture (Yesil & Kaya, 2013; Salihu et al., 2016). Hence to enhance organizational culture, evidences are needed on what goes into each of various organizational cultures and which of these cultures is the most effective. For instance, if Banks A, B, and C operating in the same socio-economic environment have different organizational cultures and Bank B best predicts firm performance, other banks in this environment can improve their cultures by taking lessons from Bank B. Unfortunately, no identifiable comparative study has been conducted in Ghana to provide evidence on the effectiveness of the organizational culture of different organizations and what goes into them. This problem has made it less

possible to identify weaknesses and strengths in the organizational culture of organizations as a basis of recommending ways for enhancing weak cultures.

A popular growing school is a group of academics who contend that it is ideal for the organization to develop its culture to encourage firm-level innovation (Yesil & Kaya, 2012). To these individuals, organization-wide innovation is necessary to survive modern and emerging markets; hence it is mandatory to make innovation an organizational culture or part of organizational culture. The only way this school can demonstrate the credibility of its argument is to provide ample empirical evidence on the significant mediation of the relationship between organizational culture and firm performance by innovation. Thus, this group needed evidence on the significant positive effect of innovation on firm performance, and the fact that innovation maximizes the impact of organizational culture on firm performance. The problem is that research has not sufficiently investigated if innovation significantly mediates the relationship between organizational culture and firm performance (Shahzad et al., 2012; Uddin et al., 2013; Salihi et al., 2016), especially in the banking sector in Ghana (Zakari et al., 2013). This situation is apparently as a result of the paucity of studies dedicated to assessing this mediation role in Ghana.

One factor that often influences an organization's culture is its financial capability. Research has generally shown that organizations that are more financially capable are develop and nurture more effective cultures (Uddin et al., 2013; Salihi et al., 2016). Financial capability can also positively influence innovation and firm performance. If this is the case, it is important for a study to control for 'capital size' when testing the effect of organizational culture on innovation and firm performance. Most previous

studies assessing this or related relationships however failed to control for ‘capital size’ (Shahzad et al., 2012; Yesil & Kaya, 2013).

In view of the fact that the above problems exist in extant literature, the current study is conducted in an attempt to address them. These problems are expected to be addressed based on objectives outlined in the next section.

1.3 Objectives of the Study

This study examines the nexus between organizational culture, innovation, and firm’s performance, with emphasis placed on the mediation effect of innovation on the relationship between organizational culture and firm performance. The following specific research objectives are addressed in this study:

- i. To evaluate the relationship between organizational culture and firm’s performance in Barclays Bank Ghana Limited (BBGL) and Ghana Commercial Bank (GCB);
- ii. To examine the relationship between organizational culture and innovation capability in BBGL and GCB;
- iii. To assess the relationship between innovation capability and firm’s performance in BBGL and GCB; and
- iv. To examine and compare the effectiveness of the organizational cultures of BBGL and GCB.

1.4 Research Questions

Based on the above research objectives, the following research questions are answered:

- i. Is there a relationship between organizational culture and firm's performance in BBGL and GCB?
- ii. Is there a relationship between organizational culture and innovation capability in BBGL and GCB?
- iii. Is innovation capability and firm performance significantly related in BBGL and GCB?
- iv. Is the effectiveness of the organizational culture the same for BBGL and GCB?

1.5 Significance of the Study

It is hoped that this study shall simultaneously test the linkage between three variables, namely organizational culture, innovation, and firm's performance. By so doing, this study provides missing evidence with respect to the mediation effect of innovation on the relationship between organizational culture and firm's performance. By testing the foregoing relationship, this study contributes to academic debate regarding the benefit of developing organizational culture to encourage innovation and a higher level of performance.

This study is also expected to control for 'capital size' in testing the foregoing relationship as a way of reaching the ultimate effect sizes. By controlling for this variable, this study demonstrates how similar confounding variables can be controlled for in future research. Apart from its contribution to extant literature, this study shall serve as a source of information for future researchers who would want to carry out similar studies.

1.6 Scope of the Study

This study focused on assessing the subject matter along three paths of relationship, namely: (1) the relationship between organizational commitment and firm's performance; (2) the relationship between organizational culture and innovation; and (3) the relationship between innovation and firm's performance. This study also examined and compared the effectiveness of the organizational cultures of the two banks, and explored what goes into each bank's organizational culture.

This study was carried out on two banks, GCB and BBGL. GCB is chosen because it is a government-owned commercial bank in Ghana and therefore applies more of a masculinist organizational culture. BBGL, on the other hand, is a commercial bank of European origin and applies more of a feminist organizational culture. The researcher's choice of these banks therefore made it possible for organizational culture to be compared across two organizations on the basis of their differences in country of origin.

1.7 Overview of the Research Methodology

In this study, the quantitative research design, specifically a correlational design was employed in order to address the research problem. The population of the study was employees at the head office of GCB and BBGL in Accra. A census selection approach was used. Thus, all employees who met the selection criteria participated in the study. More specifically, 161 and 109 (BBGL) employees participated from GCB and BBGL respectively. A self-reported questionnaire was used to collect data. Data was analyzed through SPSS and Amos 8 software. Ordinary least squares regression analysis and Confirmatory Factor Analysis were used to present the findings.

1.8 Limitations of the Study

To contribute to the literature, this study tests the link between organisational culture, innovation capability, and firm's performance by controlling for covariates or alternative explanatory variables. The main limitation of this study is that there may be more relevant covariates that were not captured in this study. Moreover, alternative explanatory variables chosen are those pertinent to the study population. For this reason, the researcher's choice of covariates may not be applicable to every population.

This study focused on two banks, GCB and BBGL. Sadly, data was collected from employees only the head office branches of the banks. This being the case, the external validity of this study is limited to these branches. Inferring findings to all branches of the two banks is therefore associated with a high risk.

1.9 Organization of the Study

This study is organized in five chapters. The First Chapter presents a background of the study, statement of the problem, research objectives, research questions, significance of the study and scope of the study.

The Second Chapter reviews related literature and provides both the theoretical and empirical frameworks of the study. The Third Chapter presents and justifies the research methodology. Major parts of the third chapter are research design, population, sample and sampling technique, data collection, instrumentation and data analysis tools.

Data analysis is presented in the Fourth Chapter. Results of the study are also discussed vis-à-vis the reviewed literature in this chapter. Chapter Five presents a summary of findings and concludes based on findings. Recommendations and future research pointers are also presented in the fifth chapter.

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CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In the human resource management literature, the concept of organizational culture occupies an important place. This is mainly owing to the idea that organizational culture determines the way human resource management policies should be designed and practiced (Hakim, 2015). Researchers (Wambugu, 2014; Wanjiku, N.A., Agusioma, 2014; Salihu et al., 2016) have also made significant contributions to research on organizational culture. Nonetheless, academic debate along certain practical and theoretical paths are still inconclusive. For instance, the role of organizational culture in creating an organizational setting where innovation is highly practiced has not been sufficiently researched (Yesil & Kaya, 2012).

In this chapter, the goal is to review the literature to provide deeper insights into these and similar concerns. Basically, this chapter provides a theoretical framework for the study, reviews related or previous studies, and develops a conceptual model for testing the hypotheses. The identification of literature gaps is a key goal of this review.

2.1 Organizational Culture: An Overview

Perceptions, interests, beliefs, and principles differ from person to person. For this reason, a group of people is often divided by their beliefs, interests, ideologies, and principles. Generally, the difficulty associated with groups pursuing a common goal is based on this difference. Thus, once a group has members who have different interests and aspirations, it is likely the group's interest shall be abandoned. The idea

of organizational culture and its need in an organization came as a result of an attempt made by human resource professionals to solve this problem (Zakari et al., 2013).

A business or corporate institution is an entity represented by a human component. This component is made up of many stakeholders i.e. employees, shareholders, managers, to mention but a few. Each member of these categories have personal interests and aspirations which could cloud his or her adherence to organizational aspirations. Organizational culture is a common way of life adopted in an organization or business to ensure that every employee acts in harmony with organizational interests and goals (Hakim, 2015; Dahie et al., 2016). Organizational culture is aimed at creating a system of principles, policies, traditions, and bureaucracies that determine how stakeholders go about their duties on daily basis, but its basic goal is to make employees and managers adherent to common practices towards goal accomplishment (Mohamed & Abukar, 2013).

Organizational culture is necessary for the survival of every organization. No matter how small a business entity is, it is characterized by more than one individual. For this reason, there is the risk of employees working in a fashion that disagrees with the target and expectations of the business. The significance of organization culture is therefore the fact that it provides a standard by which every employee or stakeholder acts as long as the aspirations of the business is concerned (Namusonge et al., 2016). Organizational culture encourages employees to abide by codes of conduct and practices designed to engender an accomplishment of organizational goals. Even so, the importance of organizational culture can be better understood after understanding what constitutes its four dimensions.

Power distance is one of the domains of organizational culture. It is a term used to describe the degree to which employees and managers have distant formal and informal relationships (Shahzad et al., 2012). This aspect of organizational culture is often designed in practice to keep the right psychological distance (i.e. the relationship between subordinates and bosses) between individual employees and their superiors. It provides a set of norms by which this relationship should be maintained to support high level performance. The second dimension is individualism, which is the degree to which people pursue self-interest in conflict with organizational interest (Shahzad et al., 2012; Uddin et al., 2013). This facet of organizational culture is often designed to ensure that employees eschew self-interest by following rules that keeps them on the track of teamwork.

The third dimension of organizational culture is 'uncertainty avoidance'. This domain is the level to which people are willing to mitigate uncertainty about ambiguity and its tolerance (Wanjiku & Agusioma, 2014). This dimension encourages team work because it often spells out how individuals can tap into the support of others, particularly team members. The fourth dimension of organizational culture is masculinity, which is the recognition of success as an outcome based on an ambition and challenge (Shahzad et al., 2012; Uddin et al., 2013). It basically puts employees in the right mental condition for facing the difficulties of their job tasks.

The four dimensions of organizational culture discussed above have been confirmed empirically to make a significant effect on performance indicators such as employee performance, job satisfaction, organizational commitment, innovation, and firm performance (Wambugu, 2014; Wanjiku, N.A., Agusioma, 2014; Salihu et al., 2016).

These evidences have been reached from different theoretical perspectives depending on the dependent variable involved. In this study, a unique theoretical framework that best explains the association between organizational culture, employee commitment, and innovation is developed. The next section presents this framework.

2.2 Theoretical Review

Schein's Theory of Organizational Culture is one of the most cited culture theories. Formulated by Edgar Schein in 2004, this theory is a framework of three hierarchical levels, namely artefacts, espoused beliefs, and basic underlying assumptions. In the context of this theory, artefacts are the surface level of an organizational culture. It constitutes tangible and easily seen and touched programs or things such as staff durbars, products, assets, to mention but a few. Espoused beliefs and values are the next level of organizational culture according to this theory. They include strategies, goals, shared beliefs, norms, shared assumptions, among others. The third level of organizational culture is 'basic underlying assumptions', which include taken-for-granted assumptions that are shared with others.

The theory assumes that culture within an organization is represented by the three hierarchical levels seen above. In the first level, tangibles and easily seen programs and items are formed. For instance, products, staff durbars, and other events are elements of the first level and are either tangible or physically seen. This first level is based on principles, traditions, beliefs, policies. Schein (2004) noted that these elements drive corporate behavior, including the resolve and willingness to innovate. For instance, an organization may develop a policy framework that guides creativity

and innovation. This framework may include valuable compensation for employees who contribute innovative ideas to the betterment of the business.

Though the third level is made up of taken-for-granted elements, it is made up of assumptions that are shared and therefore influence employee actions. These assumptions may therefore facilitate the resolve or willingness to be innovative. A framework developed by Ndesaulwa & Kikula (2016) suggests that elements of level 2 and 3 are the key determinants of employee behavior and would therefore influence innovation if they are designed to fuel interests of innovation and creativity. Their framework recognizes level 1 items as outcomes of level 2 and 3 and direct determinants of performance. This scenario squares with the fact that organizational culture (in terms of level 2 and 3) drives innovation, which in turn impacts firm performance owing to the influence of the three levels of Schein's (2004) theory. Therefore, innovation mediates organizational culture and firm performance, which is measured in terms of bank performance in this study.

It is argued that elements of level 2 and 3 can engender innovation within an organization to maximize performance because of the assertion of a second theory, which is McGregor's (1960) Theory X and Theory Y. With respect to theory X of McGregor's framework, management coerce and motivate employees to perform. This level of the theory is the basis by which employees are made committed towards their jobs. After the necessary commitment is developed, management develops the potential in employees and helps them to leverage that potential to accomplish goals. Once items of level 2 and 3 of Schein's (2004) theory exist in the organization, employee commitment and ability can lead to innovation and consequently performance.

2.3 Bank Performance Measures

The goal of every organization is to gain substantial returns on its investment and to be able to grow in terms of profits, assets, and people. In the banking sector, performance is about developing and implementing the best operational strategies towards providing customer value in the form of service quality and customer satisfaction (Olanipekun et al., 2013; Namusonge et al., 2016). It includes gaining revenues from services rendered for both the short and long terms (Olanipekun et al., 2013). On the basis of many studies (Shahzad et al., 2012; Zakari et al., 2013; Olanipekun et al., 2013; Namusonge et al., 2016) therefore, performance is predominantly measured in terms of operational performance (OP), market performance, and financial performance (FP).

Operational performance is a measure of the operational effectiveness and efficiency of a business (Zakari et al., 2013). It is an indicator of the appropriateness of policies and strategies, and how well these are implemented towards the accomplishment of goals (Olanipekun et al., 2013; Namusonge et al., 2016). Operational performance is determined by the performance of each functional department, the performance of individual employees and teams, and the appropriateness of organizational culture (Shahzad et al., 2012). The business's market conditions and profitability depend on how suitable policies are and how well these policies are implemented. From this point of view, market and financial performance would be influenced by operational performance.

Market performance is a measure of how well the business achieves its market goals (Namusonge et al., 2016). Its common indicators are service quality, customer

satisfaction, market share growth, and sales performance (Olanipekun et al., 2013; Namusonge et al., 2016). Market performance may be considered one of the most important dimensions of firm or bank performance because it is the direct determinant of sales and organizational revenues. Thus, the financial returns of a business are directly linked to its market success. For instance, if service quality and customer satisfaction are high, sales and revenues are more likely to be high as well.

Financial performance is a domain that measures whether or not the business has achieved its financial goals (Olanipekun et al., 2013). It answers questions such as: have we achieved our profit target, and have we been able to improve our financial gains with respect to previous years? Its commonest indicators are gross revenues, return on investment, return on equity, and return on asset (Shahzad et al., 2012; Zakari et al., 2013; Olanipekun et al., 2013; Namusonge et al., 2016). Though the ultimate expectation of businesses is to maximize financial performance, this dimension is dependent on both operational and market performance. To maximize financial performance therefore, the business should be able to enhance both its operational and market performance.

In many organizations, social performance is considered an important performance indicator. Social performance is defined as how well the business accomplishes its corporate social responsibility goals (Shahzad et al., 2012). In other words, it is the extent to which the business contributes to the growth and stability of its social environment. It may involve how well the business has contributed to health and social care, infrastructural development, and human empowerment. This dimension is however seldom used in measuring performance because many businesses do not

pursue corporate social responsibilities to a significant extent (Zakari et al., 2013). This dimension is also not a major priority of most organizations and researchers (Olanipekun et al., 2013; Namusonge et al., 2016). For these reasons, bank performance is measured in this study using operational, market, and financial performance indicators.

2.4 The Concept of Innovation Capability

If employers are asked to reveal qualities they want their employees to apply on the job most, there are likely to mention innovativeness, which has been mentioned in all sectors as the key to organizational performance and growth. In the formal sector where market competition highly abounds, innovation is considered even more relevant to firm performance and growth. Many researchers (Yesil & Kaya, 2012; Adelekan, 2016; Ndesaulwa & Kikula, 2016) have also confirmed that employee innovation positively influences competitive advantage.

Innovation is defined in a business context as the application of better solutions and alternatives that meet new requirements, needs, and existing market needs (Ndesaulwa & Kikula, 2016). Innovation can also be defined as a new device, idea or substance (Yesil & Kaya, 2012). Employee innovation is the ability to contribute and execute unique or new ideas that lead to business growth (Yesil & Kaya, 2012). Innovation capability of an organization is the degree to which employees create new ideas, models, or solutions (Ndesaulwa & Kikula, 2016). Innovation or innovativeness in the organization would therefore lead to more effective products, processes, services, technologies, or business models.

Creativity is a term often used side by side with innovation, though they are not the same. Creativity is an attribute that represents the ability to form new and valuable things (Yesil & Kaya, 2013). To add to the above, creativity is more strongly associated with newness and originality of a system, idea, technology, or model (Zakari et al., 2013). A person who is creative is therefore capable of developing new things, whereas an innovative person can modify existing things to add value to them. One may wonder why innovation capability is considered an important attribute within an organization.

In the early nineteenth century, advances in the field of science and technology and industrialization intensified competition in most markets (Uddin et al., 2013). At the time, even new markets faced a significant level of market competition (Zakari et al., 2013). As a consequence, enterprises began to realize the need for them to go beyond the status quo or to do something extra ordinary in addressing customer needs and expectations. Businesses and scientists realized that the ultimate way to provide services and products that yield the highest customer value is to be innovative or to apply innovation (Adelekan, 2016; Ndesaulwa & Kikula, 2016). This assertion does not mean that innovative capability was not a requirement in the business domain before the nineteenth century – the extent to which innovation was needed to enhance the agility of businesses increased in this period.

Another major determinant of the importance of innovation capability in business is the global economic recession that started in the later part of 2007 (Zakari et al., 2013). This global financial carnage aggravated inflation, exchange rate, and many macro-economic indicators in Ghana and beyond (Agwu, 2014; Acquah et al., 2015).

The adverse situations of the ever-changing global market place are therefore ascribed to the global economic recession. Being innovative then became a requirement for maintaining a business's market strength or improving market performance (Ndesaulwa & Kikula, 2016). Hence, worsening economic situations in many countries and sub-regions caused by the recession encouraged firms to more strongly recognize the role of innovativeness in championing the best products and services.

Innovation in an organization has its root in employees' ingenuity. In other words, the level of innovation in an organization is the outcome of each employee's ability to apply innovation. For this reason, employees tend to contribute better to policy and strategy formulation when they apply innovation on their jobs. Invariably, they are able to identify and contribute result-oriented ideas and find crucial solutions to problems. It is from this point of view that Zakari et al. (2013) argued that innovative personnel are the greatest assets of a business.

Being innovative is not a talent – it is a capability that is acquired (Dahie et al., 2016). More often than not, an individual would have to be influenced to innovate within the organization. For instance, jobs and reward systems can be designed to motivate employees to be innovative. Researchers (Yesil & Kaya, 2012; Adelekan, 2016; Ndesaulwa & Kikula, 2016) have observed that organizational culture constitutes a framework of principles and practices that determine the extent of innovation in an organization. Similarly, the modern approach to human resource management is to develop an organizational culture that creates an atmosphere where the habit of innovating grows over time (Dahie et al., 2016).

On the basis of the discussion so far, organizational culture can be positively associated with innovation capability. Innovation capability can also positively influence firm performance. Interestingly, there are empirical studies that support these assertions. In the next section, these studies are reviewed.

2.5 Empirical Review

Organizational culture is the general way businesses go about their daily activities. It involves norms, policies, operational strategy, common practices, and values. The performance of an organization would therefore be influenced by its culture. This assertion is corroborated by several studies (Zakari et al., 2013; Agwu, 2014; Acquah et al., 2015; Adelekan, 2016) that have tested and confirmed the association between organizational culture and performance. In this section, these and other studies are reviewed to understand their contributions to academic debate and knowledge on the topic. This review supports the theoretical framework formulated earlier towards developing the study's conceptual model.

The first study to consider in this review is the research of Zakari et al. (2013), which examined the effect of organizational culture on performance. The study employed a quantitative research technique and a questionnaire survey method. The study's population was employees of nine (9) banks in Ghana. The simple random sampling method was used to collect data from 296 employees who participated in the study. Their study found that organizational culture makes a significant positive effect on firm performance. Some of the performance indicators predicted by organizational culture are customer satisfaction, market share growth, service quality improvement, employee satisfaction, and innovation capability.

Apparently, the study of Zakari and colleagues confirms the positive association between organizational culture and performance. Thus, firm performance increases with organizational culture. Notable among key findings of the study is the fact that innovation capability is one of the performance indicators positively impacted by organizational culture. This notwithstanding, Zakari et al. (2013) could not test for the moderation or mediation effect of innovation capability on the relationship between organizational culture and bank performance. Thus, these researchers only confirmed that innovation was positively associated with organizational culture.

A similar study was conducted by Acquah et al. (2015). In this study, employees' perceived impact of organizational culture on firm performance was evaluated. These researchers also applied quantitative and cross-sectional designs. A questionnaire was used to collect data from 120 participants, who were selected using the purposive sampling technique. Participants were employees of non-faith based universities in Ghana. The study found that organizational culture makes a positive effect on performance, particularly employee performance. The researchers conclude that performance can be enhanced by improving organizational culture in the selected universities.

It can be seen that results reached in the study of Acquah et al. (2015) are consistent to some extent with those of Zakari et al. (2013). This consistency indicates that the nexus between organizational culture and performance is not limited to the banking sector, but the fact that the study of Acquah et al. (2015) failed to capture innovation as a performance indicator cannot be undermined. Since Zakari et al. (2013) did not capture 'employee performance' as a performance indicator, the study of Acquah et

al. (2015) can be said to have added to the list of performance indicators (i.e. those found in the study of Zakari et al., 2013) impacted by organizational culture. It is worth noting that several studies (Awadh & Alyahya, 2013; Agwu, 2014; Dahie et al., 2016) conducted in different sectors support the finding of the study of Zakari et al. (2013).

In the study of Adelekan (2016), the effect of organizational culture on innovation capability was tested. The study adopted the quantitative research design and a questionnaire survey method. The population of the study was SMEs which had policies on organizational culture in Lagos. A purposive sample of 250 employees was determined. Non-parametric statistics were used to present findings. The study found that there was a strong association between organizational culture and innovation capability. 'Clan' made the strongest association with innovation capability, whereas 'hierarchy' makes the least effect. The study concludes that innovation capability improves as organizational culture is increased or enhanced within the SMEs.

The study of Hakim (2016) investigated the nexus between organizational culture, commitment, and performance. The study's population was employees of hospitals in South Konawe. A quantitative research approach was employed alongside a cross-sectional technique. Purposive sampling was used to select 115 employees. Structural Equation Modeling (SEM) was used to present results. The study confirms that there is a significant positive association between organizational culture and performance. The study also confirms the effect of organizational culture on commitment. Hakim

(2016) concludes that organizational culture determines both employee commitment and performance.

The study of Hakim (2016) corroborates studies reviewed earlier in terms of the relationship between organizational culture and employee performance. What is noteworthy about the study of Hakim (2016) is the fact that the mediation effect of organizational commitment on the relationship between organizational culture and performance was tested and confirmed. Hakim's study therefore suggests that organizational culture predicts employee performance after it has contributed to employee commitment. Like the study of Acquah et al. (2015) however, Hakim's study measured performance in terms of only employee performance.

In Nigeria, Olanipekun et al. (2013) tested the association between organizational culture and performance. The study adopted a quantitative research technique to test this relationship. The purposive sampling method was used to select 126 employees from 42 quantity surveying firms. The researchers applied stepwise linear regression in analyzing the data. Data analysis shows that organizational culture makes a positive effect on performance, which includes a measure of innovation capability. This study therefore recommends the need for firms to enhance corporate culture in an attempt to increase performance.

By observation, the study of Olanipekun et al. (2013) and Zakari et al. (2013) account for the same findings. So, both studies confirm that performance of an organization increases with organizational culture enhancement. It is however worth noting that the two studies employed different measurement scales in measuring performance, for

which their findings are not necessarily comparable. Even so, evidences produced in these studies suggest that organizational culture impacts performance even if different scales are used in measuring performance. The two studies also indicate that a large framework of performance indicators are influenced by organizational culture.

In the study of Yesil & Kaya (2012) to assess the role of organizational culture in enhancing innovation capability. A quantitative research approach was employed by the researchers alongside cross-sectional data collected using a self-reported questionnaire. The study found that all dimensions of organizational culture makes a significant effect on innovation capability. Apart from ‘hierarchy’, all dimensions of organizational culture make a positive effect on innovation capability. On the basis of these findings, the researchers suggest that organizational culture improvement has a role towards improving innovation capability.

Findings of the study of Yesil & Kaya (2012) support studies reviewed earlier (e.g. Olanipekun et al., 2013; Zakari et al., 2013) that confirm that organizational culture predicts the innovation capability domain of performance. Interestingly, the study of Wambugu (2014) and Wanjiku & Agusioma (2014) also reached findings that lend support to the relationship between organizational culture and innovation capability.

The review above unfolds two relationships: (a) the positive effect of organizational culture on performance; and (b) the positive effect of organizational culture on innovation capability. Since a good number of studies have also confirmed the association between innovation capability and organizational culture (Yesil & Kaya, 2012), it is likely that innovation capability mediates the relationship between organizational culture and performance. It is observed nonetheless that this mediation

effect has not been adequately tested and confirmed in the literature. In the next section, this and other gaps identified in the review are discussed.

2.6 Gaps in the Literature

The review above indicates that a good number of studies have examined the association between organizational culture and performance. Nonetheless, very few studies have examined this relationship in Ghana, especially in the banking sector. The study of Acquah et al. (2013) was one of the few studies conducted on the foregoing topic in Ghana. Even so, it was focused on non-faith based universities and only a single dimension of performance, which is employee performance, was measured as the dependent variable of organizational culture. Zakari et al. (2013) represent the few identifiable studies conducted on the topic in the banking sector in Ghana.

One of the main evidences in the literature is the positive relationship between organizational culture and innovation capability (Yesil & Kaya, 2012). Studies also indicate that innovation capability makes a significant positive impact on performance (Uddin et al., 2013; Wambugu, 2014; Wanjiku et al., 2014). In the light of these evidences, it can be said that innovation capability mediates the relationship between organizational culture and performance. Unfortunately, this potential mediation influence has not been adequately ascertained, particularly in the banking sector in Ghana.

According to Creswell (2003), research findings can better serve as a basis of decision making in an organization when they came from this organization alone. Thus, a

research should be focused on an organization if it is aimed at remedying problems in this organization. A more crucial gap is therefore the fact that no identifiable study has been conducted on the foregoing topic in the specific context and situation of GCB and BBGL. As a consequence, evidences available cannot be used to address issues in this bank, especially those forming part of the research problem presented earlier.

It is also observed that researchers (Agwu, 2014; Adelekan, 2016) have not sufficiently examined the effectiveness of organizational culture, particularly in an attempt to compare two competing organizations. Rather, they have focused on assessing only the relationship between organizational culture and performance. It is argued in this study that determining the effectiveness of organizational culture is a precursor to effectively interpreting the relationship between it and any dependent variable. A researcher would also make more vital recommendations if the level of effectiveness of organizational culture is known.

In a cross-sectional study, the ultimate way to reach a realistic effect of the independent variable on the dependent variable is to control for alternative explanatory variables or confounding variables (Williams, 2007; Allwood, 2012). The problem is that most of the previous studies reviewed did not control for these variables, though they employed a cross-sectional design. This error led to the realization of potentially spurious or unreal effects. This situation discredits the empirical literature and makes its evidences less credible.

Though several other gaps in the literature may exist, the above are the most basic and relevant ones. These gaps have several implications for this and future studies. In the next section, these implications are discussed.

2.7 Conceptual Framework

Organizational culture is the way of life of businesses; hence it influences practices, policies, and core human resource provisions. As seen in Figure 2.2, organization culture has three dimensions drawn from the study of Dahie et al. (2016), namely competitive culture, entrepreneurial culture, and consensual culture. Competitive culture is a measure of the norms, principles, and practices put in place to cope with market competition. Entrepreneurial culture on the other hand is the set of principles and practices fostered by the organization to create an atmosphere where the best services and products are provided through creativity and ingenuity. Consensual culture is the set of principles that guide teamwork and consensus building. These definitions indicate that organizational culture influences operational activities towards service delivery. For instance, competitive culture determines what the firm does to deliver the most competitive products and services. Competitive culture can therefore contribute to marketing performance. Consensual and entrepreneurial culture also provide the foundation for operational performance. From these perspectives, organizational culture can impact bank performance. Hence, the following hypothesis is developed:

H_{a1}- Organizational culture makes a significant positive effect on bank performance.

Innovation is ingenuity, which is part of the behavioral attributes of employees. The culture that an organization nurtures can therefore positively drive the ability of employees to innovate, especially if elements of level 2 and 3 of Schein's (2004) theory are well designed to support a culture of innovation. Moreover, entrepreneurial culture is an orientation for organizational creativity and ingenuity, which are the foundation of innovation within a firm. As depicted in Figure 2.2 therefore, this study argues that organizational culture in terms of its dimensions makes a significant effect on innovation capability. This viewpoint resonates with the following second hypothesis:

H_{a2}- Organizational culture makes a significant effect on innovation capability of the bank.

Innovation is one of the outcomes of organizational culture according to Schein's (2004) theory. As seen in the empirical review, the innovation of employees is one of the major determinants of employees' ability to accomplish job roles and the overall performance of the organization. In the banking sector in particular, some researchers (Acquah et al., 2015; Adelekan et al., 2016) have reasoned that innovation is a requirement maintaining competitiveness and improving growth in the face of market competition. As a consequence, innovation capability can predict bank performance. The third main hypothesis of this study is therefore given below:

Ha3: Innovation capability makes a significant effect on bank performance.

If employees are innovative as a result of the culture to which they are exposed, their ability to accomplish job roles would increase. Hence, organizational culture can facilitate employee performance, which is a requirement for all performance indicators, particularly market, operational, and financial performance. This study

thus investigates the relationship between organizational culture and firm or bank performance, which is measured in terms of operational, market, and financial performance (see Figure 2.2).

Being innovative can contribute two types of effects on bank performance. The first type is the effect it receives from organizational culture, and the second is its unique effect. In essence, innovation capability can mediate the relationship between organizational culture and bank performance either partially or completely. A complete mediation takes place when the effect of innovation on bank performance is all attributable to organizational culture. A partial mediation takes place when the effect of innovation capability on performance includes a unique effect that is not attributed to organizational culture. Within this framework of ideas, the mediation effect of innovation capability is examined as shown in Figure 2.1.

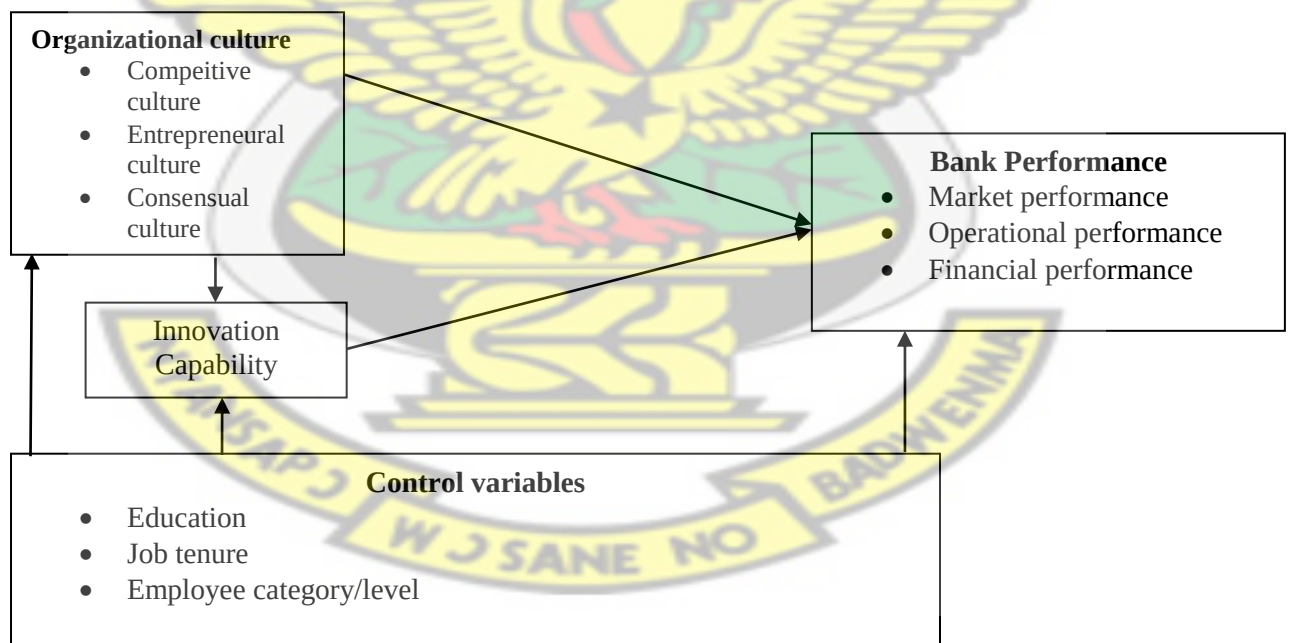


Figure 2.1: The Conceptual Model-Based on the Organizational Culture Theory

Source: Researcher's Own Construct

Some variables such as education and job tenure can influence organizational culture, innovation capability, and bank performance. For instance, these variables can increase with increasing job tenure, since work experience generally increases with job tenure. This being the case, education, gender, job tenure, salary size, among others, can confound the relationship between organizational culture and each of innovation capability and bank performance. On the basis of these arguments, these and other potential lurking variables are controlled for as shown in Figure 2.1.

In this study, the model represented by Figure 2.2 are tested for BBGL and GCB in a comparative approach. The effectiveness levels of organizational culture of the two banks are also estimated and compared. Based on Asiamah (2017), effectiveness of organizational culture is computed as arithmetic mean scores. The larger the mean score, the higher the effectiveness of organizational culture.

2.8 Summary of the Chapter

Organizational culture influences a lot of activities within an organization. In fact, behavior and practices are based on organizational culture. It is even more important because it has been confirmed to make a positive effect on variables like commitment, innovativeness, employee performance, and other performance indicators. Interestingly, organizational culture predicts firm performance as well. One of the basic implications of these evidences in the literature is the mediation effect of innovativeness or innovative capability on the relationship between organizational culture and firm performance.

Sadly, this mediation effect has not been adequately examined in the banking sector in Ghana. Moreover, in their effort to examine the effect of organizational culture on innovation capability and performance, researchers failed to control for relevant confounding variables. This study is conducted in an attempt to address these and other issues based on the conceptual framework represented by Figure 2.2. In the next chapter, the research methodology of the study is presented and justified.



CHAPTER THREE

METHODOLOGY

3.0 Introduction

Every research is expected to contribute to knowledge and academic debate. For a study to meet this end, its findings must be credible. Credibility of research findings is basically ensured by the researcher by ensuring that data used is valid and reliable (Allwood, 2012). More generally, credibility of findings also depends on the appropriateness of the research methodology applied.

The research methodology is the set of methods, procedures, and assumptions applied to collect and analyse data (Creswell, 2003). In this chapter, the study's methodology is presented and justified. The chapter presents and justifies the researcher's choice of a research design, population, sample size and sampling method, data collection method (i.e. data collection steps, validity and reliability, instruments), and data analysis technique.

3.1 Research Design

A research design is a blueprint that guides the researcher and dictates methods to be applied in data collection and analysis (Allwood, 2012). The nature of the research design would determine the type of data to collect and how this data should be analysed.

There are three main research designs, namely the qualitative, quantitative, and mixed designs. This study employed the quantitative design for two reasons identified by researchers (Creswell, 2003; Williams, 2007): (1) it is the most suitable method when

a study involves the use of quantitative or inferential statistical tools; and (b) if a study is focused on testing hypotheses or the significance of relationships.

The specific quantitative design applied is the correlational design, which Williams (2007) identified as the most suitable method if the following conditions are met: (a) the researcher intends to examine relationships without having the opportunity to establish causal effects; (b) the study does not control for all alternative explanatory variables or confounding variables.

This study was also a cross-sectional design, which Allwood (2012) defined as a study in which data is collected at a single point in time. It is contrasted to the longitudinal design in which data is collected in several periods to compare findings across these periods. This study applied the cross-sectional design because no intervention was needed to assess the relationships of interest.

3.2 Research Population

A research population is the number of individuals about which an enquiry is made (Creswell, 2003). It is the group of individuals who have the attributes for which they could be a source of useful data. The population of this study was all employees of GCB and BBGL at the head offices of these banks in Accra.

The target population, which Asiamah et al. (2017) defined as the individuals who have the specific attributes of the researcher's interest, was employees who met some criteria as a basis of having the best potential to provide information. These criteria are: (1) the individual must have worked in the organisation for at least a year; and (2)

the individual must be a permanent worker of the bank. The number of individuals who met these criteria for GCB and BBGL respectively was 165 and 112.

The accessible population is the number of individuals of the target population who are willing to respond and will be available to participate in the study (Asiamah et al., 2017a). In this study, 4 and 3 individuals from GCB and BBGL respectively in the target population opted out of the study. Hence the accessible population was made up of 161 (GCB) and 109 (BBGL) employees.

3.3 Sampling and Sample Size

Sampling is the process of selecting a subset of a population from which data is drawn (Creswell, 2003). A sample is therefore the number of individuals who make up a subset of the population. Sampling is done in research basically because the population is too large to be surveyed entirely in view of the available resources and time.

A simulation study by Asiamah et al. (2017b) suggest that the larger the sample, the more precise research results are. They therefore support the common idea that quantitative studies need representative samples to yield the best results. A representative sample is the subset of the population that is large enough to produce results that would have been produced if the entire population was surveyed (Asiamah et al., 2017b).

Researchers (Allwood, 2012; Asiamah et al., 2017a) have confirmed that the best results are produced when the entire population is surveyed in a process called census.

In simple terms, census is about collecting data from every member of the population (Creswell, 2003). It is considered the best option in a quantitative research because it provides access to the most precise results, all things being equal. This study therefore applied this approach. Thus 161 and 109 employees from GCB and BBGL respectively were surveyed.

3.4 Data Collection

This section presents and justifies the methods and procedures adopted to collect data. It focuses on identifying the research variables measured, their operationalisation, instrumentation, scale validation, data collection procedure, and ethical measures taken.

3.4.1 Variables and operationalisation

Three main variables are measured and assessed in this study, namely organisational culture, innovation, and firm performance. The dependent variable is firm performance, which is a measure of operational, marketing, and financial performance of the banks. The independent variable (IV) is organisational culture, which has the theoretical domains of power distance, individualism, uncertainty avoidance, and masculinity. Innovation is the moderating variable (MV) and is a measure of the innovation capabilities of employees.

Background variables measured in this study are gender, education (the highest education of an employee), job tenure (how long an employee had worked in the organisation), and salary size (employees' net salaries). These variables are the confounding variables.

3.4.2 Instrumentation

A questionnaire is a data collection tool that constitutes a list of questions to which respondents are to respond to. Creswell (2003) defined it as a data collection instrument made up of one or more of the following features: a scale of measurement, respondent instructions, and close and open-ended questions. A close-ended question provides all possible responses from which the respondent is supposed to choose whereas the open-ended question is an open question without these options and thus asks the respondent to provide his own response (Allwood, 2012).

A self-administered questionnaire was used to measure the above variables. The three main constructs were measured based on a five-point Likert scale: strongly disagree (1), disagree (2), not sure (3), agree (4), and strongly agree (5). Organisational culture was measured using a 15-item scale borrowed from Dahie et al. (2016). Innovation capability was measured using a 29-item scale adopted from Adelekan (2016). Firm performance was measured using a 10-item scale originating from Namusonge et al. (2016). These above scales were used because they have been consistently validated across populations, including populations drawn from developing countries like Ghana.

3.4.3 Validity and reliability of the Data

Though the scales used are standard scales, the researcher still took some steps to achieve and maximise their validity and reliability. First of all, the questionnaire was sent to the project supervisor and two other researchers in the subject area to review to establish face validity. This notwithstanding, a Confirmatory Factor Analysis

technique borrowed from Asiamah (2017) was used to verify the validity and reliability of the scales. Evidences of this assessment are provided in the next section.

3.4.4 Data collection procedure

Data is defined as unprocessed information (Creswell, 2003; Williams, 2007). In research, data can either be continuous or categorical. Continuous data include interval and ratio scale data that represent quantitative data (Williams, 2007), with examples being salary of employees, marks scored by students in an examination, and weight of babies in a hospital. Categorical data are in the form of names having two or more levels (e.g. gender) and ordinal data that can be ranked from low to high (e.g. management level).

Data was collected in three weeks using a hand delivery approach. Before questionnaires were administered, permission letters endorsed by KNUST were sent to the two banks from which participants were drawn. After permission was granted to proceed with the study, informed consent forms were given to eligible participants to sign. The informed consent forms revealed the benefits and risks of participation. It also stressed on the fact that participation in the study is voluntary and not mandatory. Out of 161 and 109 questionnaires administered at GCB and BBGL respectively, 145 and 101 of them were returned. All returned questionnaires were analysed because they had no major response errors.

3.4.5 Ethical steps taken

A research ethic is a principle that the researcher follows to collect data from a population i.e. participants (Allwood, 2012). It is a legal rule of conduct by which

researchers recruit research participants (Creswell, 2003). Ethical steps are taken to protect the right of respondents and to ensure that the legal protocols that a research should follow are adhered to by the researcher (Allwood, 2012).

Ethical steps taken in research differ from one field to the other. In the field of clinical trials and medical research, ethics are to be followed to ensure that the live and health of participants are not in ruin. In human resource and marketing management, measurements do not often include health risks and variables. Hence, ethical steps in these fields only respect people's right to participate or withdraw from a study (Creswell, 2003). Since variables of this study are not related to human health, ethical steps recommended by Creswell (2003) were taken. First, management of the two banks was contacted prior to the study. This effort elicited their assistance in data collection. Respondents were also made to respond voluntarily by signing an informed consent form that contained both the risks and benefits of participating. Third, all risks and benefits of participating in this study were also disclosed to respondents.

3.5 Data Analysis Method

Data was analysed using SPSS version 21 and AMOS. SPSS was used to run correlation and descriptive analysis, whereas AMOS was used to run the conceptual model and to validate the scales. Data analysis was in two phases. In the first phase, data was coded and entered into SPSS. The z-score approach was used to identify potential outliers in the data. Multivariate normality and other necessary assumptions applied to parametric tests were also tested. The scales were also validated at this stage.

In the second phase, the conceptual model was tested using CFA. This technique automatically analysed objectives 1, 2, and 3. Objective 4 was analysed using the independent samples T-test, which was used to compare the mean values associated with the organisational culture of GCB and BBGL. These mean values represented the banks' effectiveness in organisational culture.

3.6 Summary of the Chapter

This study employed a quantitative research approach, specifically the correlational design. Its population was employees of GCB and BBGL at their head office in Accra. A census approach was used – thus all members of the accessible population were surveyed. A structured questionnaire was used to collect data. Descriptive statistics, the independent samples T-test, correlation test, and CFA were used to present findings through SPSS and AMOS. In the next chapter, findings are presented.

CHAPTER FOUR

RESULTS OF DATA ANALYSIS AND DISCUSSION

4.1 Introduction

In the previous chapter, the research methodology applied in this study was presented. A declaration was made in that chapter about the researcher's resolve to apply a quantitative and correlational design in which a CFA is used to analyse data. In this chapter, data is analysed in harmony with this chosen research design.

The chapter is presented in three main sections. The first section presents data relating to the analysis of demographic and background variables. Exploratory data analysis is also carried out in this section. The second part of the chapter captures results pertaining to the main research objectives. Discussions of findings is also done in the second section. The third and final section presents a summary of data analysis.

4.2 Demographic Information

In this section, demographic variables are analysed. Exploratory data analysis that is aimed at examining the distribution of the data is also conducted in this section. Table 4.1 shows descriptive statistics on the demographic and background variables. Variables captured in this table are gender, education, and employee category.

Table 4.1: Categorical Demographic Variables for GCB and BBGL

Bank	Variable	Level	Frequency	Percent
GCB	Gender	Male	87	60%
		Female	58	40%
		Total	145	100%
	Education	Diploma	26	18%
		First degree	97	67%
		Master's degree	22	15%
		Total	145	100%
	Employee Category	Lower level	73	50%
		Middle level	56	39%
		Senior level	16	11%
		Total	145	100%
BBGL	Gender	Male	59	58%
		Female	43	42%
		Total	102	100%
	Education	Diploma	12	12%
		First degree	79	77%
		Master's degree	11	11%
		Total	102	100%
	Employee Category	Lower level	13	13%
		Middle level	68	67%
		Senior level	21	21%
		Total	102	100%

Source: Survey data, 2017

In Table 4.1, 60% (N = 87) of all respondents from GCB were males, whereas 40% (N = 58) of all respondents were females. Thus, a slight majority of respondents were males at GCB. At BBGL, 48% (N = 59) of all participants were males, whereas 42% (N = 43) of them were females. So, for both GCB and BBGL, a slight majority of respondents were males.

In addition, 18% (N = 26) of all respondents had Diploma at GCB, while 12% (N = 12) of participants from BBGL had the same qualification. Moreover, 67% and 77% of all respondents had first degree from GCB and BBGL respectively. There were

also 15% and 11% of all respondents who had master's degree from GCB and BBGL respectively. Apparently, most respondents had first degree from both banks.

In Table 4.1, participants belonged to one of low, middle, and high or senior level management. At GCB, 50% (N = 73) of the participants were at the low management level; 39% (N = 56) of them were at the middle management level; and 11% (N = 16) of them were at the top management level. At BBGL, 13% (N = 13) of the participants were at the low management level; 67% (N = 68) of them were at the middle management level; and 21% (N = 21) of them were at the top management level. At GCB, the largest proportion of participants were low level employees, whereas the highest proportion of participants at BBGL belonged to middle level management.

Table 4.2: Job Tenure for GCB and BBGL

Bank	N	Mean	Std. Deviation
GCB	145	7.32	3.63
BBGL	102	4.25	1.54

Source: Survey data, 2017

Table 4.2 shows the job tenure of participants from both banks. It can be seen that participants at GCB had worked for about 7 years (Mean = 7.32, Std. Dev. = 3.63). At BBGL, participants had worked for about 4 years (Mean = 4.24, Std. Dev. = 1.54). It can be deduced from the results in this table that job tenure is higher at GCB.

Table 4.3 to Table 4.5 show the descriptive statistics (mean scores and standard deviation) and factor loadings of items of the three main variables of the study. The mean score is used to assess the distribution of the data with respect to the

measurement scale as a basis of identifying outliers in the data. Factor loadings form the basis of an assessment of the reliability of the measurement scales.

Table 4.3: Descriptive Statistics and Factor Loadings of Items of Organizational Culture

Item	Factor Loading	Mean	Std. Dev.
Employees work and feel as members of the team	0.455	4.16	0.78
Cooperation across departments or functions is highly encouraged	0.765	4.08	0.84
There is continuous development of employee's skills and capacity	0.654	4.18	0.86
Employees are seen as an important source of competitive advantage	0.693	4.23	1.01
I am happy working for my organization	0.789	3.99	0.85
There are clear set of rights and wrongs within the organization	0.576	3.99	0.87
The employees are highly committed to the success of the organization	0.622	4.14	0.74
My organization is flexible in its approach to management	0.503	4.17	0.71
My organization continuously seeks new and improved ways of performance	0.622	4.14	0.80
My organization act and react to customer comments and recommendations.	0.543	4.03	0.86
The organization encourages and rewards creativity and risk taking	0.800	3.93	1.13
The organization has clear and reasonable goals	0.530	4.12	0.99
The organization has clear mission that gives meaning and direction to employee's performances.	0.619	4.01	0.96
Employees know what to do in order for the organization to succeed	0.612	3.98	1.01
Employees are excited and motivated to work for the organization	0.788	4.06	0.98

Source: Survey data, 2017

The measurement scales applied has values ranging from 1 to 5. Based on Asiamah (2017), each item of these scales should produce a mean score that is within this range; otherwise there is a serious outlier in the data. In Table 4.3, every item accounts for a mean score that falls within the range of values of the measurement scale. "Employees are seen as an important source of competitive advantage" produces one of the largest mean scores (Mean = 4.23, Std. Dev. = 1.01). "Employees know what to do in order for the organization to succeed" yields one of the lowest mean scores (Mean = 3.98, Std. Dev. = 1.01). The same scenario applies to Tables 4.4 and 4.5.

Table 4.4: Descriptive Statistics and Factor Loadings of Items of Innovation Capability

Item	Factor Loading	Mean	Std. Dev.
In new product and service introductions, our bank is often first-to market	0.703	3.766	1.161
Our new products and services are often perceived very novel by customers	0.722	2.972	1.013
Our recent new products and services are only of minor changes from our previous products and services	0.874	4.069	0.839
New products and services in our bank often take us up against new competitors	0.701	3.835	1.014
In comparison with our competitors, our bank has introduced more innovative products and services during the past five years.	0.703	3.766	0.905
In comparison with our competitors, our bank is faster in bringing new products or services into the market.	0.820	3.931	1.097
In comparison with our competitors, our bank has a lower success rate in new products and services launch	0.843	3.959	1.218
In comparison with our competitors, our products' most recent marketing program is revolutionary in the market.	0.604	3.366	1.040
Our bank's most recent new product introduction required a new form of advertising and promotion, different from that used for our existing products	0.694	3.979	0.931
In new product and service introductions, our bank is often at the cutting edge of technology.	0.442	3.648	1.071
The technology of our main machinery in use is very up-to-date	0.783	4.035	0.989
Our future investments in new machinery and equipment are significant compared to our annual turnover	0.643	3.738	1.034
In comparison with our competitors, we are late in adoption of technological innovations	0.682	4.117	0.983
Our firm's R & D or product development resources are not adequate to handle the development need of new products and services	0.793	4.076	1.185
The nature of the manufacturing process in our bank is new compared to that of our main competitors.	0.694	3.821	0.977
We are constantly improving our business processes	0.833	3.807	1.002
Our bank changes production methods at a great speed in comparison with our competitors.	0.732	4.117	1.017
Our future investments in new methods of production are significant compared to our annual turnover	0.646	3.910	1.013
During the past five years, our bank has developed many new management approaches.	0.421	4.028	1.000
We get a lot of support from managers if we want to try new ways of doing things.	0.581	3.966	1.076
Management is very cautious in adopting innovative ideas	0.545	4.028	1.196
Key executives of the firm are willing to take risks to seize and explore 'chancy' growth opportunities	0.706	3.593	1.044
Management actively responds to the adoption of "new ways of doing things" by main competitors	0.745	3.821	0.910
Senior executives constantly seek unusual, novel solutions to problems via the use of 'idea men'.	0.567	3.690	0.976
In our bank, we tolerate individuals who do things in a different way	0.789	2.310	1.357
We are willing to try new ways of doing things and seek unusual, novel solutions	0.788	3.407	0.990
We encourage people to think and behave in original and novel ways	0.795	3.917	0.975
When we see new ways of doing things, we are last at adopting them	0.632	4.090	0.745
When we cannot solve a problem using conventional methods, we improvise on new methods	0.706	3.800	1.071

Source: Survey data, 2017

Table 4.5: Descriptive Statistics and Factor Loadings of Items of Firm Performance

Item	Factor Loading	Mean	Std. Dev.
Bank resources are well managed	0.502	4.01	1.24
Communication in the bank is well planned and carried out	0.884	3.90	0.98
Administrative activities support quality service delivery	0.632	3.65	1.12
This bank gives priority to the delivery of quality services	0.702	4.01	1.20
Customers often express their satisfaction with our services/customer care	0.372	3.96	1.09
Most or all of the customers we serve remain loyal customers	0.653	4.30	0.91
The general public speaks well of this bank	0.554	4.34	0.76
This bank generates significant revenues	0.700	4.27	0.58
The bank has been making net gains on its investment	0.811	4.19	1.03
The efficiency of the bank is improving from time to time	0.503	4.09	0.88

Source: Survey data, 2017

In Table 4.4 for instance, “Our recent new products and services are only of minor changes from our previous products and services” had a mean score of about 4 (Mean = 4.07, Std. Dev. = 0.84). In the same table, “Our new products and services are often perceived very novel by customers” accounts for the least mean score (Mean = 2.97, Std. Dev. = 1.01). In Table 4.5, all items of Firm Performance produce a mean score that falls between 1 and 5. For instance, “The general public speaks well of this bank” produces one of the largest mean scores (Mean = 4.34, Std. Dev. = 0.76). “Communication in the bank is well planned and carried out” also accounts for one of the least mean scores (Mean = 3.90, Std. Dev. = 0.98). In each of Tables 4.3, 4.4, and 4.5, most items of each of the measurement scales account for a factor loading that is greater than 0.5. According to researchers (Morse, 2002; Drost, 2011; Asiamah, 2017), a measurement scale is reliable when all its items produce a factor loading greater than 0.5. Variables or indicators that account for factor loadings less than 0.5 were removed or were not included in the scale in accordance to Drost (2011). In Table 4.6, each factor (i.e. the construct formed after taking out indicators whose

factor loadings are less than 0.5) accounts for a Cronbach's Alpha (CA) not less than 0.5. This evidence, based on recommendations in the literature (Morse, 2002; Drost, 2011), suggests that all measurement scales used in this study are reliable. Table 4.6 shows statistics used to evaluate the validity of the measurement scales.

Table 4.6: Reliability and Validity Statistics

Construct	Domain	CA	AVE	AVE	MSV	ASV
Organisational culture	Power Distance	0.843	0.754	0.543	0.213	0.012
	Individualism	0.932	0.732	0.621	0.321	0.032
	Uncertainty Avoidance	0.901	0.843	0.601	0.223	0.054
	Masculinity	0.882	0.756	0.588	0.209	0.012
Innovation Capability	Innovation Capability	0.806	0.703	0.504	0.223	0.062
Bank Performance	Market performance	0.933	0.821	0.567	0.122	0.011
	Operational performance	0.901	0.832	0.606	0.321	0.085
	Financial performance	0.882	0.706	0.501	0.204	0.020

Model Fit (Measurement Model): Chi-square = 23.067, df = 101, TLI = 0.981, RMSEA = 0.042

Source: Survey data, 2017

Table 4.7: Tests for Univariate and Multivariate Normality

Variable	Statistic	df	P
Organisational commitment	0.412	247	0.432
Innovation capability	0.317	247	0.587
Bank Performance	0.214	247	0.698

NOTE: Each p2 value of the Mahalanobis distance test in CFA is greater than 0.05

Source: Survey data, 2017

In Table 4.6, the Average Variance Estimate (AVE) is greater than the Mean Square Variance (MSV), which is also greater than the Average Shared Variance (ASV). In addition, the estimates of AVE, MSV, and ASV are greater than 0.5 as required according to best practices recommended in the literature (Hurley et al., 1997; Kelava, 2016). This being the case, the validity of the measurement scales is confirmed.

Table 4.7 shows results of the Shapiro-Wilk's test for data normality, which is a requirement for using parametric tests in this study. Based on Asiamah (2016), normality is confirmed at 5% significance level when the p-value of the dependent variable is greater than 0.5. In Table 4.7, this condition is met for all variables. Univariate normality of data is therefore confirmed. As shown beneath Table 4.7, multivariate normality is confirmed on the basis of each p2 value of the Mahalanobis distance test being greater than 0.05. Having confirmed normality, validity, and reliability of the data, findings of the study are presented in the next section.

4.3 Organizational culture and firm's performance at Barclays Bank Ghana Limited (BBGL) and Ghana Commercial Bank (GCB)

In this section, findings are presented to address the specific research objectives. Pearson's correlation test and CFA are used to present findings on all objectives. Table 4.8 and Table 4.9 show Pearson's correlation matrices of all variables for GCB and BBGL respectively.

Table 4.8: Correlation Matrix for GCB

Variable	#	1	2	3	4	5	6
Organisational Culture	1	1	.453**	.810**	.219**	0.083	0.077
Innovation Capability	2		1	.494**	.284**	.327**	.310**
Bank Performance	3			1	.218**	0.109	0.03
Education	4				1	.262**	.298**
Tenure	5					1	.329**
Employee Category	6						1

**Correlation significant at 1% significance level

*Correlation significant at 5% significance level

Source: Survey data, 2017

Table 4.9: Correlation Matrix for BBGL

Variable	#	1	2	3	4	5	6
Organisational Culture	1	1	.446**	.791**	.222*	0.076	0.103
Innovation Capability	2		1	.499**	.250*	.337**	.364**
Bank Performance	3			1	0.184	0.112	0.022
Education	4				1	.220*	.274**
Tenure	5					1	.395**
Employee Category	6						1

**Correlation significant at 1% significance level

*Correlation significant at 5% significance level

Source: Survey data, 2017

Table 4.8 shows the correlation between variables for GCB. It can be seen that Bank Performance is positively correlated to Organisational Culture ($R = .810$, $p = .000$, two-tailed) and Innovation Capability ($R = .494$, $p = .000$, two-tailed) at 1% significance level. Among all the covariates, only education is significantly correlated to Business Performance at 1% significant variables ($R = .218$, $p = .000$, two-tailed). The positive correlation between organization culture and bank performance has been confirmed in some previous studies (Olanipekun et al., 2013; Zakari et al., 2013; Shahzad et al., 2012; Yesil & Kaya, 2013). Moreover, this correlation suggests that business performance improves with organisational culture and innovation capability. Sadly, none of these studies were conducted in Ghana – all of them were conducted in foreign countries. The above result is therefore consistent with studies conducted in the banking and other sectors outside Ghana.

Table 4.9 shows the correlation between relevant variables for BBGL. It is observed that Bank Performance is positively correlated to Organisational Culture ($R = .791$, $p = .000$, two-tailed) and Innovation Capability ($R = .499$, $p = .000$, two-tailed) at 1% significance level. Thus, business performance improves as organisational culture and innovation capability increases. This correlation is line with what was observed for GCB and is therefore supported by the foregoing previous studies. On the basis of the

above correlations, results of the confirmatory factor analysis are presented in the following tables.

Table 4.10: Model Fit Statistics

Model	R ²	Adjusted R ²	F-Test		Absolute fit Indices					
			F	p-value	Chi-square	p-value	RMSEA	TLI	GFI	AIC
1-GCB	.683	.672	59.561	.000	44.271	.543	.034	.993	.894	43.22
2-BBGL	.669	.651	38.748	.000	47.466	.432	.043	.991	.890	51.91

Source: Survey data, 2017

Table 4.10 shows the model fit statistics for two models. The first model, 1-GCB, is for GCB whereas 2-BBGL is for BBGL. The first model accounts for a variance of 68.3% of the total variance. The error term therefore produces 21.7% of the total variance. The second model accounts for 66.9% of the total variance. In addition, 1-GCB model is of a better fit on the basis of accounting for a larger p-value, Tucker-Lewis Index (TLI), and Goodness-of-Fit Index (GFI), as well a lower Random Mean Square Error of Approximation (RMSEA). Both models are of a good fit by satisfying the following criteria recommended in the literature by researchers (i.e. Hurley et al., 1997; Kelava, 2016; Asiamah, 2017): $p > .05$; $TLI > .9$; $GFI > .80$. Based on Kelava (2016), the first model is stronger as compared to the second by accounting for a smaller Akaike Information Criterion (AIC) value. Thus, the variables are more strongly related at GCB than BBGL. This evidence includes the fact that the link between organizational culture and each of innovation capability and bank performance is stronger for GCB. According to Zakari et al. (2013), this difference has little to do with the firm's resources and dynamic capabilities. Rather, it can be attributed to the firm (i.e. GCB) including more suitable or relevant organizational traditions in its cultural policies.

Table 4.11: Diagnostics Tests

Bank	Durbin Watson	Predictors	Collinearity Statistics	
			Tolerance	VIF
GCB	2.39	Education	0.838	1.193
		Tenure	0.815	1.227
		Employee Category	0.809	1.236
		Organisational Culture	0.772	1.295
		Innovation	0.667	1.499
BBGL	2.32	Education	0.871	1.149
		Tenure	0.788	1.269
		Employee Category	0.759	1.317
		Organisational Culture	0.775	1.291
		Innovation	0.660	1.516

Source: Survey data, 2017

In Table 4.11, two assumptions are tested, namely independence-of-errors and multi-collinearity. Independence-of-errors assumption is tested based on Durbin-Watson statistic. According to Asiamah (2016), this assumption is met when the Durbin-Watson value is within the range of 1.5 and 2.5. In the table, this assumption is met for both GCB and BBGL. The collinearity statistics, on the other hand, are used as indicators of multi-collinearity. Since the variance inflation factor (VIF) value of each predictor is less than 10 as recommended elsewhere (Hurley et al., 1997; Asiamah, 2016), the multi-collinearity assumption is met for the two models shown in Table 4.10. Table 4.12 and Table 4.13 show the regression coefficients of the two CFA models.

Table 4.12: Regression Estimates (GCB)

DV	Path	IV	Estimate	S.E.	C.R.	P
OC	<---	Tenure	0.354	1.422	0.249	0.803
OC	<---	Education	1.574	0.748	2.102	0.036
OC	<---	EC	0.067	1.326	0.051	0.960
IC	<---	OC	0.633	0.11	5.778	***
IC	<---	Tenure	4.508	1.87	2.411	0.016
IC	<---	Education	1.001	0.999	1.002	0.316
IC	<---	EC	3.508	1.743	2.013	0.044
BP	<---	OC	0.588	0.043	13.622	***
BP	<---	IC	0.093	0.03	3.139	0.002
BP	<---	Tenure	0.141	0.677	0.208	0.835
BP	<---	Education	0.199	0.356	0.558	0.577
BP	<---	EC	-0.943	0.627	-1.504	0.133

KEY: DV = dependent variable; IV = independent variable; S.E. = standard error; C.R. = critical ratio; OC = organisational culture; EC = employee category; BP = business performance; IC = innovation capability
 ***Effect significant at 1% significance level

Source: Survey data, 2017

Table 4.13: Regression Estimates (BBGL)

DV	Path	IV	Estimate	S.E.	C.R.	P
OC	<---	Tenure	0.188	1.726	0.109	0.913
OC	<---	Education	1.509	0.817	1.848	0.065
OC	<---	EC	0.445	1.56	0.285	0.775
IC	<---	OC	0.622	0.131	4.766	***
IC	<---	Tenure	4.212	2.264	1.86	0.063
IC	<---	Education	0.612	1.089	0.562	0.574
IC	<---	EC	3.884	2.048	1.897	0.058
BP	<---	OC	0.546	0.051	10.78	***
BP	<---	IC	0.111	0.035	3.183	0.001
BP	<---	Tenure	0.406	0.808	0.503	0.615
BP	<---	Education	0.028	0.383	0.072	0.942
BP	<---	EC	-1.273	0.731	-1.742	0.082

KEY: DV = dependent variable; IV = independent variable; S.E. = standard error; C.R. = critical ratio; OC = organisational culture; EC = employee category; BP = business performance; IC = innovation capability
 ***Effect significant at 1% significance level

Source: Survey data, 2017

In Table 4.12, which shows results relating to GCB, organisational culture makes a positive effect on business performance at 1% significance level ($\beta = 0.59$, $p = .000$).

This evidence confirms that bank performance increases as organisational culture improve. This association is consistent with some studies (Olanipekun et al., 2013; Zakari et al., 2013; Shahzad et al., 2012; Yesil & Kaya, 2013; Acquah et al., 2015) conducted in the banking and other sectors outside Ghana. In a Ghana, some studies (Acquaah et al., 2015; Zakari et al., 2013) have also retained this effect but outside the banking sector. By implication, the positive association between organisational culture and bank performance is a condition not limited to one sector and jurisdiction. This notwithstanding, more future studies are needed on the topic in the banking sector in Ghana.

4.4 Organizational Culture and innovation at Barclays Bank Ghana Limited (BBGL) and Ghana Commercial Bank (GCB)

Organisational culture also makes a significant positive impact on innovation capability at 1% significance level ($\beta = 0.63$, $p = .000$). Thus, innovation capability increases as organisational culture improves in the bank. Outside the banking sector, this result is empirically supported by previous studies (Shahzad et al., 2012; Olughor, 2015; Ndesaulwa & Kikula, 2016; Namusonge et al., 2016). More importantly, the confirmed effect of organisational culture on innovation capability and bank performance in this study supports the organisational culture theory, which forms the basis of this study's theoretical framework. With respect to this theoretical stance, organizational culture is a process that determines employee behavior. Owing to the fact that employee behavior forms the basis of innovation in the organization, a suitable culture is associated with high innovation capability and firm performance. In view of this study's findings, the study's theoretical framework is supported.

In Table 4.13, organisational culture makes a positive effect on business performance at 1% significance level ($\beta = 0.51$, $p = .000$). This relationship is slightly weaker as compared to what is seen for GCB in Table 4.12. Innovation capability also makes a significant positive effect on business performance at 5% significance level ($\beta = 0.11$, $p = .001$). The strength of this effect is slightly higher than what is seen in Table 4.12 for GCB. Organisational culture makes a significant positive effect on innovation capability ($\beta = 0.62$, $p = .000$) at 1% significance level. This effect size is also slightly lower than what is seen in Table 4.12 for GCB. As discussed earlier, the impact of organisational culture on innovation capability and bank's performance is supported by studies conducted in foreign countries and in Ghana (Acquaah et al., 2015; Zakari et al., 2013). Basically, the model of GCB is stronger because more of the covariates make a significant impact on bank performance, innovation capability, and organisational culture. Based on Zakari et al. (2014), this evidence suggests that the organisational culture of GCB is more effect i.e. it better predicts performance indicators such as innovation capability and firm's performance.

4.5 Innovation and Firm's Performance at Barclays Bank Ghana Limited (BBGL) and Ghana Commercial Bank (GCB)

Education makes a significant positive effect on organisational culture ($\beta = 1.57$, $p < .05$), whereas job tenure ($\beta = 4.51$, $p < .05$) and employee level ($\beta = 3.51$, $p > .05$) make the same impact on innovation capability. This outcome stresses that one of the key features of this study is the fact that covariates (i.e. tenure, education, and employee category) were controlled for. It is realised that controlling for these variables did not render the hypothesised relationship between organisational culture, innovation capability, and performance insignificant. Based on Asiamah (2016) and

Mensah et al. (2016), this confirmed relationship, including the mediation effect, is not attributed to the covariates. Invariably, each of the effects reached in this study can be attributed to the predictor variables alone, unless there are other covariates not captured in the model that accounts for it. This assertion connotes that future studies should capture as many relevant covariates as possible to further enhance the precision of the effect estimates. Table 4.14 shows the T-test for GCB and BBGL.

Table 4.14: Descriptive Statistics and T-test

Bank	Variable	Statistic	Value	95% Confidence Interval		Levene's Test		T	P
				Lower	Upper	Statistic	P		
GCB	OC	Mean	61.21	59.78	62.51	56.32	0.054	23.43	0.432
		Std. Deviation	8.58	7.26	9.89				
	IC	Mean	109.56	107.34	111.52	85.03	0.232	49.07	0.006
		Std. Deviation	13.46	11.54	15.20				
	BP	Mean	40.66	39.54	41.71	84.45	0.182	48.09	0.023
		Std. Deviation	6.94	5.53	8.16				
BBGL	OC	Mean	61.73	59.88	63.20				
		Std. Deviation	8.14	6.47	9.60				
	IC	Mean	111.11	108.38	113.56				
		Std. Deviation	12.80	10.37	15.13				
	BP	Mean	41.25	39.93	42.42				
		Std. Deviation	6.33	4.67	7.78				

Source: Survey data, 2017

4.6 Effectiveness of the Organizational Cultures of Barclays Bank Ghana

Limited (BBGL) and Ghana Commercial Bank (GCB)

In Table 4.14, organisational culture has a mean score of 61.21 (Mean = 61.21, Std. Dev. = 8.58) and 61.73 (Mean = 61.73, Std. Dev. = 8.14) for GCB and BBGL respectively. The independent samples T-test (unequal variances assumed option)

shows that there is no significant difference between the organisational cultures of the two banks at 5% significance level ($T = 23.43$, $p > .05$). This result suggests that both banks have the same level of organizational culture. But as opined by some researchers (Olanipekun et al., 2015; Alihu et al., 2016), the two banks having the same level of organisational culture does not mean that the two cultures are equally effective and have the same content. From the point of view of the theoretical framework and the argument of Acquah et al. (2015), effectiveness is a measure of how well organisational culture drives performance indicators. So if the two cultures are at the same level, this only suggests that perceptions about their execution are the same for the two banks. In view of the relative fits of the models (i.e. those for GCB and BBGL), GCB has a more effective culture.

In addition, GCB accounts for a level of innovation capability of about 110 (Mean = 109.56, Std. Dev. = 13.46), whereas that of BBGL is about 111 (Mean = 111.11, Std. Dev. = 12.8). The T-test (unequal variance assumed option) in the table suggests that there is a significant difference between the levels of innovation capability at the two banks at 5% significance level ($T = 49.07$, $p < .05$). Thus, BBGL has higher innovation capability. Last but not least, GCB has a bank performance level of about 41 (Mean = 40.66, Std. Dev. = 6.94), whereas that of BBGL is also about 41 (Mean = 41.25, Std. Dev. = 6.33). The T-test (unequal variance assumed option) in the table suggests that there is a significant difference between the levels of performance in the two banks at 5% significance level ($T = 48.09$, $p < .05$). Performance at BBGL is therefore higher.

In harmony with some studies conducted in Ghana and Nigeria (Acquah et al., 2015; Adelekan, 2016), this finding can be attributed to variations in the strategy, amount of resources, and dynamic capabilities of the two banks. Thus, BBGL have higher innovation capability and performance (Ghana Banking Survey, 2014), possibly because it has more suitable resources and a different and more competitive strategy. It is worth noting that having higher innovation capability may also have caused BBGL to have a higher level of performance. In essence, the high level of innovation capability and bank performance at BBGL is not due to organisational culture alone. Since GCB's model is stronger and is therefore associated with larger effects, organizational culture better leads to innovation capability and bank performance in this bank though it has a lower level of innovation capability and bank performance.

With respect to the effect estimates in Table 4.12 and Table 4.13, innovation capability mediates the relationship between organizational culture and bank performance. This effect is represented by organizational culture predicting bank's performance directly and indirectly through innovation capability. Findings from several studies (Olanipekun et al., 2013; Zakari et al., 2013; Shahzad et al., 2012; Yesil & Kaya, 2013; Acquah et al., 2015; Ndesaulwa & Kikula, 2016; Namusonge et al., 2016; Adelekan, 2016) jointly imply and support this effect, but there is no identifiable study that has affirmed it in the banking sector in Ghana. Even if they exist, empirical studies that have confirmed this evidence are few and unidentifiable in extant literature. This partial mediation effect suggests that innovation capability has other determinants apart from organisational culture and that innovativeness in the bank maximises the impact of organisational culture on performance.

Given the above results, banks can benefit from improving innovation capability and bank performance by improving their organizational culture. Yet, the basis for making the most of organisational culture is designing it to support innovation within the organisation (Acquaah et al., 2015). Firms are also expected to monitor their organizational cultures with respect to employee and customer demand over time (Yesil & Kaya, 2013).

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4.7 Summary of the Chapter

Data analysis shows that for both BBGL and GCB, organisational culture is positively correlated to innovation capability and bank performance at 1% significance level. The covariates are also significantly correlated to the main variables (i.e. organisational culture, innovation capability, and bank performance) at either 1% or 5% significance level. Organisational culture was found to make a positive effect on innovation capability and bank's performance for both banks. Nonetheless, the fit of the CFA model is stronger for GCB because more of the covariates render a significant effect on bank performance, innovation capability, and organisational culture. Data analysis also confirms that the two banks do not have a different organisational culture, but BBGL has a higher level of bank performance and innovation capability. Based on these findings, the next chapter presents conclusions and recommendations of the study.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.0 Introduction

In the previous chapter, data analysis shows that organisational culture and innovation capability make a significant positive effect on bank performance at GCB and BBGL. Innovation capability was also found to predict bank's performance. These relationships were found to be significant after education, tenure, and employee level were controlled for as covariates. BBGL was found to have a higher level of organisational commitment and innovation capability, though GCB had a better fit of the models tested. In this chapter, the goal is to present conclusions of the study based on these findings.

This chapter has five main sections. The first section presents a summary of key findings. Conclusions of the study are unfolded in the second section, whereas the third section presents recommendations based on findings. Limitations of the study and future research suggestions are suggested in the fourth and fifth chapters respectively.

5.1 Summary

With respect to the specific research objectives, findings of the study are summarised as follows:

Objective 1 – there study found a positive correlation between organisational culture and bank performance at 1% significance level for GCB ($R = .810$, $p = .000$) and BBGL ($R = .791$, $p = .000$). These correlations translate into a positive effect of organisational culture on bank performance in the two banks. This finding suggests that bank performance increases as organisational culture improves. Improvement in

organisational culture includes employees being compliant with all its facets. It is worth indicating that the correlation between organisational culture and bank performance is stronger for GCB as compared to BBGL. This finding connotes the possibility of bank performance being more strongly predicted by organisational culture at GCB as compared to BBGL.

Objective 2 – The study found a positive correlation between organisational culture and innovation capability at 1% significance level for GCB ($R = .453$, $p = .000$) and BBGL ($R = .446$, $p = .000$). On the basis of these correlations, organisational culture makes a significant positive effect on innovation capability. This result implies that innovation capability increases as organisational culture improves, logically in terms of how suitable it is and the extent to which it is adhered to by individual employees. Comparatively, GCB has a larger Pearson's correlation coefficient that indicates that the correlation between organisational culture and innovation capability at GCB is stronger as compared to BBGL.

Objective 3 – At 1% significance level, innovation capability is significantly positively correlated to bank performance at GCB ($R = .494$, $p = .000$) and BBGL ($R = .499$, $p = .000$). Based on these correlations, innovation capability makes a significant positive effect on bank performance. Thus, bank performance increases as the level of innovation capability is increased. So, increasing innovativeness of employees can improve bank performance. With respect to the correlation coefficients, BBGL has a stronger correlation between innovation capability and bank performance on the basis of having a larger coefficient. More importantly, innovation capability makes a significant positive effect on bank performance at GCB ($\beta = 0.093$,

$p = .002$) and BBGL ($\beta = 0.111$, $p = .001$) at 1% significance level. This result corroborates the above correlation between innovation capability and bank performance.

Objective 4 – data analysis shows that there is no significant difference in the organisational culture of GCB and BBGL at 5% significance level. BBGL was found to produce a significantly larger innovation capability and bank performance levels at 5% significance level. Thus, BBGL had a higher level of innovation capability and bank performance. The three hypotheses of the study are confirmed for both banks, though the relationship between organisational culture and each of innovation capability and bank performance is stronger for GCB. BBGL on the other hand has a stronger effect of innovation capability on bank performance.

5.2 Conclusion

Based on the above findings, the study's conclusions are presented as follows:

There is a positive correlation between organisational culture and bank's performance. This result translates to a positive effect of organisational culture on bank's performance. It is therefore concluded that improving organisational culture leads to improvement in bank's performance. The relationship between organisational culture and bank's performance is not attributed to the covariates.

Organisational culture and innovation capability are positively correlated. Moreover, organisational culture makes a significant positive effect on innovation capability. It is thus concluded that organisational culture of the banks influenced the

level of innovation capability exploited and that improved organisational culture leads to higher innovation capability. The relationship between innovation capability and organisational culture is not attributed to the covariates.

Innovation capability is positively correlated to bank's performance. The study further confirms that innovation capability makes a positive impact on bank's performance. By implication, bank's performance increases as innovation capability increases in the two banks. The relationship between innovation capability and bank's performance is not attributed to the covariates. More so, innovation capability mediates the relationship between organisational culture and bank's performance.

Organisational culture does not significantly vary across the two banks, namely GCB and BBGL. Invariably, the organisational culture of the two banks are the same. However, innovation capability and bank's performance are at a higher level for BBGL than GCB.

5.3 Recommendation

Findings of this study confirms that organisational culture makes a positive effect on both innovation capability and bank performance. Innovation capability also makes a significant positive effect on bank performance for the two banks. This result suggests that bank performance and innovativeness can be augmented by improving organisational culture. In this section, the goal is to recommend ways of maximising the innovation capability of individual employees as well as the performance of the banks. To this end, the following discussion is made:

5.3.1 Ensuring employees' familiarity with organisational culture

To reiterate, many studies, including this one, have confirmed that organisational culture predicts firm's performance. Every organisation is therefore expected to design and implement the most suitable culture in order to engender a higher level of performance. But a problem identified in the literature is the fact that employees are often not fully familiar with the specific culture that their organisation pursues (Adelekan, 2016). This situation makes it difficult for workers to abide by traditional systems and common practices in order to contribute to maximum growth. Of course, an individual cannot be held liable for disobeying traditions that he or she is not aware of.

Given the above problem, one way to maximise the impact of organisational culture at GCB, BBGL, and possibly other banks is to equip every employee with knowledge of the organisational culture applied in these banks. Some researchers (Hakim, 2015; Salihu et al., 2016) have noted that the best way to provide this knowledge is training programs through which employees are regularly informed of elements of organisational culture. Regular training also enables the organisation to highlight aspects of culture that have changed over the period. This pathway is therefore recommended for implementation in GCB and BBGL.

5.3.2 Aligning culture with high performance

Ensuring that employees are familiar with organisational culture and aligning this culture with high performance are exclusive tasks. The former is a precursor to the later because awareness of a culture or the way of life of the organisation is fundamental to adherence to the elements of this culture. To align organisational

culture with high performance, the following steps can be taken by management of the banks:

First, each element of culture must be relevant to performance improvement. This assertion means that the organisation must ensure that its culture is an embodiment of traditions and best practices that would lead to improved performance and growth if adhered to. This recommended is vital because Hakim (2015) observed that many organisations are not making the best of their culture because items of this culture are irrelevant.

In addition, employee actions and inactions should be encouraged to be in harmony with organisational culture. If a particular system of financial reporting is used in the organisation for instance, the behaviour and actions of all accountants and managers must be in agreement with this system.

5.3.3 Creating a performance assessment culture

Banks and virtually all organisations are established to meet human needs. These needs always keep changing; hence the strategy applied to meet them would also change. It is in view of this understanding that management of organisations are expected to monitor the impact of their culture on performance. Organisations are also expected to revise their culture based on the foregoing monitoring program to better meet customer and employees needs in the passing of time. Based on these viewpoints, the following steps ought to be taken by management:

Management must see how each element of culture is contributing to the performance of employees and how much this element is relevant to meeting customer needs within a particular period. This assessment can be done based on previous experience and an employee or market survey. Moreover, this evaluation can form the basis of revising culture to better meet the emerging needs of customers and employees. For instance, any facet of the culture that seems to conflict with emerging employee and customer needs and interests would have to be replaced.

In view of the forgoing remarks, the firm must monitor employee and customer attitudes to the current culture through employee and market surveys respectively. This program must be continuously carried out to be able to identify how time and new demands of customers and employees are rendering some aspects of culture obsolete.

5.3.4 Encouraging employee innovation within organisational culture policy framework

Being innovative can be a skill, but organisational culture can also encourage employees to be creative and innovative. Often times, employees are encouraged to put up certain behaviours when they are developed and empowered to do so. As a result, the revision of culture in an organisation can also be aimed at creating a higher level of innovativeness. Along this line of argument, two steps must always be taken by organisations:

Every culture must include elements that encourage and challenge employees to be innovative. The basic unit of organisational innovativeness is the creativity and

innovativeness of individual employees. When employees are innovative, it contributes to the overall innovation capability of the organisation.

To encourage and challenge employees to be innovative within organisational culture requires that resources and supporting policies are provided. Thus, the firm must have a policy framework that allows every employee to take bold decisions that tend to lead to new discoveries and solutions. More so, every employee must be empowered to be innovative by making resources available to him or her. Without having the supporting resources, organisational culture cannot engender high innovation capability.

5.3.5 Implications for this and Future Research

Drawing from the review and the gaps found, there is the need for more studies to be conducted in an attempt to examine the relationship between organizational culture and performance. Since most studies (Uddin et al., 2013; Wambugu, 2014; Wanjiku et al., 2014) measured performance in terms of a single indicator, which is employee performance, future studies are expected to measure performance more holistically or by incorporating all relevant indicators such as market performance, operational performance, and financial performance in the measurement.

In view of the research problem, this and future studies should focus on individual organizations in order to relate findings to decision making in these organizations. Future research could also conduct comparative analysis to see how close competitors like GCB and BBGL vary in terms of organizational culture.

The review and gaps also imply that the current study and future research must be able to examine how much innovation capability mediates the relationship between organizational culture and performance. Moreover, future research should be able to adequately tell if this mediation effect is complete or partial.

Arguably, the effect of organizational culture on performance indicators would depend on whether it is effective or not. It is in view of this assertion that every study must know how effective organizational culture is in a population before examining its relationship to some variables. This and future studies are therefore expected to examine the effectiveness of organizational culture as a basis of examining its hypothesized effects on some outcome variables.

The interest of all researchers is to contribute to knowledge. To accomplish their goal, researchers must therefore account for the most credible findings. In quantitative and cross-sectional studies, one way to reach credible findings is to control for potential confounding variables (Williams, 2007; Allwood, 2012). This being the case, future studies are expected to consider controlling for confounding variables in testing the association between variables. Given the above implications, the study's conceptual framework is developed in the next section.

5.4 Future Research Pointers

In view of the above limitations, future researchers are encouraged to introduce more covariates, especially the relevant ones. Similarly, future researchers should carefully identify and select covariates which are inherent of their population. Possibly, a

thorough literature review can enable them to select the relevant alternative explanatory variables.

To enhance the external validity of this study, future researchers are encouraged to increase the size of the study population by introducing more banks and branches. When the population is enlarged and coupled with a random selection process, the external validity of the study can be increased significantly.



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Appendix A

Questionnaire

Dear participant,

This questionnaire seeks to collect data on the effects of Organizational culture on firm's performance and the mediating role of innovation. It is for academic purpose only. The confidentiality of respondents is thus assured. Please answer the questions that follows.

Thank you.

Section A: Demographic and background variables

1. What is your gender
Male ☐
Female ☐
2. What is your highest education?
Basic/secondary ☐
Diploma/HND ☐
First degree ☐
Postgraduate ☐
Others (specify)
3. How long have you been working in this bank?
Less than 3 years ☐
3-5 years ☐
6-10 years ☐
Above 10 years ☐
4. In which of these banks do you work?
GCB ☐
Barclays Bank ☐
5. What is your employee category?
Lower level management ☐
Middle management ☐
Executive/top management ☐

Section B: Organisational culture

To what extent do you agree or disagree that the following statements apply to this bank? **Please note that the following Likert scale applies: strongly disagree (1); disagree (2); not sure (3); agree (4); and strongly agree (5).**

No.	Statement	1	2	3	4	5
1	Employees work and feel as members of the team					
2	Cooperation across departments or functions is highly encouraged					
3	There is continuous development of employee's skills and capacity					
4	Employees are seen as an important source of competitive advantage					
5	I am happy working for my organization					
6	There are clear set of rights and wrongs within the organization					
7	The employees are highly committed to the success of the organization					
8	My organization is flexible in its approach to management					
9	My origination continuously seeks new and improved ways of performance					
10	My organization act and react to customer comments and recommendations.					
11	The organization encourages and rewards creativity and risk taking					
12	The organization has clear and reasonable goals					
13	The organization has clear mission that gives meaning and direction to employee's performances.					
14	Employees know what to do in order for the organization to succeed					
15	Employees are excited and motivated to work for the organization					

Section C: Innovation Measures

To what extent do you agree or disagree that the following statements apply to this bank? **Please respond based on the above five-point Likert scale.**

No.	Statement	1	2	3	4	5
1	In new product and service introductions, our bank is often first-to market					
2	Our new products and services are often perceived very novel by customers					
3	Our recent new products and services are only of minor changes from our previous products and services					
4	New products and services in our bank often take us up against new competitors					
5	In comparison with our competitors, our bank has introduced more innovative products and services during the past five years.					
6	In comparison with our competitors, our bank is faster in bringing new products or services into the market.					
7	In comparison with our competitors, our bank has a lower success rate in new products and services launch					
8	In comparison with our competitors, our products' most recent marketing program is revolutionary in the market.					
9	Our bank's most recent new product introduction required a new form of advertising and promotion, different from that used for our existing products					
10	In new product and service introductions, our bank is often at the cutting edge of technology.					
11	The technology of our main machinery in use is very up-to-date					
12	Our future investments in new machinery and equipment are significant compared to our annual turnover					
13	In comparison with our competitors, we are late in adoption of technological innovations					
14	Our firm's R & D or product development resources are not adequate to handle the development need of new products and services					
15	The nature of the manufacturing process in our bank is new compared to that of our main competitors.					
16	We are constantly improving our business processes					
17	Our bank changes production methods at a great speed in comparison with our competitors.					
18	Our future investments in new methods of production are significant compared to our annual turnover					
19	During the past five years, our bank has developed many new management approaches.					
20	We get a lot of support from managers if we want to try new ways of doing things.					
21	Management is very cautious in adopting innovative ideas					
22	Key executives of the firm are willing to take risks to seize and explore 'chancy' growth opportunities					
23	Management actively responds to the adoption of "new ways of doing things" by main competitors					
24	Senior executives constantly seek unusual, novel solutions to problems via the use of 'idea men'.					
25	In our bank, we tolerate individuals who do things in a different way					
26	We are willing to try new ways of doing things and seek unusual, novel solutions					
27	We encourage people to think and behave in original and novel ways					
28	When we see new ways of doing things, we are last at adopting them					
29	When we cannot solve a problem using conventional methods, we improvise on new methods					

Section D: Firm/bank performance

To what extent do you agree or disagree that the following statements apply to this bank? **Please respond based on the above five-point Likert scale.**

No.	Statement	1	2	3	4	5
1	Bank resources are well managed					
2	Communication in the bank is well planned and carried out					
3	Administrative activities support quality service delivery					
4	This bank gives priority to the delivery of quality services					
5	Customers often express their satisfaction with our services/customer care					
6	Most or all of the customers we serve remain loyal customers					
7	The general public speaks well of this bank					
8	This bank generates significant revenues					
9	The bank has been making net gains on its investment					
10	The efficiency of the bank is improving from time to time					

Thank you

