

# An Assessment of the Organizational Culture Change on Organizational Performance

Veronese Marie Josee<sup>1</sup>, Adam Shisia<sup>1,2</sup>

1. PhD candidate, School of Business and Economics, Mount Kenya University, P.O Box342 code 01000 Thika Kenya.

E-mail of the first author: Veronese68@yahoo.fr

2. PhD candidate, School of Business and Economics, Mount Kenya University, P.O Box342 code 01000 Thika Kenya.

E-mail of the Corresponding Author: adamshisia@gmail.com

## Abstract

Culture change has indeed become an imperative for organizational competitiveness and effectiveness. Forces like globalization and internationalization of public issues contribute to expanding the flow of labour across national boundaries and facilitate constant exchange of materials, as well as culture change.

The purpose of this study was to establish the effect of organizational culture change on organizational performance using the Kenyan Immigration Department as a case study. The objective of the study was to find out how the organizational culture change affects public sector organizations in developing countries using the Kenyan experience. The research methodology adopted a descriptive survey design and the study used both quantitative and qualitative data that described cultural change at the immigration department of Kenya in Nairobi. The study collected both primary and secondary data. Primary data was gathered using structured and semi-structured questionnaires where the respondents were issued with the questionnaires to respond to questions. The study established that a culture change acts as a driving force of development in an organization and leads to a more fulfilling intellectual, emotional, moral and spiritual life. It helps to improve the organization's performance in the marketplace. It also came to the researcher's attention that most of the organization did not engage staff members fully in promoting togetherness in the work environment, and that the identity has played a functional role in the organizational culture among employees from diversified groups to a great extent. The study recommended that organizations should improve their organizational culture in order to properly manage workplace diversity so as to improve performance. This will encourage teamwork in the organization and enhance organizational performance. The study further recommended that the organizations should streamline internal communication in order to enhance performance.

**Keywords:** Culture change, Workplace culture change, Organizational performance

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### 1.1. Introduction

Culture refers to way of doing things and is reflected by basic values, attitudes, beliefs and behavior of the people. According to Thomas (2009), managing culture change prescribes approaches that are philosophically broad enough to encompass all dimensions of culture change. He emphasizes managerial skills and policies needed to optimize and emphasize every employee's contribution to the organizational goals (Henderson, 2004). Leach, George, Jackson, and La Bella (2008) used the term "working with culture change" in place of "managing culture change." They implied that working with culture change calls forth the challenge to be curious, inquire, interact, reflect, and experiment.

Culture at organization level can affects top management interactions, training programs to adopt, communication styles and employee-customer relationships.

Culture change has increasingly become a hot-button issue in corporate, political, and legal circles. For instance, managing workforce culture change is one of the most difficult and pressing challenges of modern organizations. An understanding about the history of culture change management gives an idea about the evolution of the interest in a diverse workforce in organizations (Williams & O'Reilly, 2008).

According to Loden and Rosener (2007), leading-edge organizations have numerous unique efforts under way to deal with their diverse workforce. Some common practices that distinguish these organizations from others include culture change linked to strategic vision; systems and procedures that support culture change; ongoing

monitoring of personnel recruitment, promotion, and development; organizational commitment to technical re education; awareness education as an organizational priority; rewards based on results; enhanced benefits; reinforcement of the value of culture change in hiring and promotions; and attention to subtle reinforces of the homogeneous ideal.

Other organizations connect performance appraisal ratings, compensation, and even annual bonuses to the achievement of the goals of culture change programs (Caudron, 2002).

Culture change is about learning from others who are not the same, about dignity and respect for all, and about creating workplace environments and practices that encourage learning from others and capture the advantage of diverse perspectives (Hubbard, 2004).

One of the core functions of the Immigration Department is to facilitate international travel of Kenyans. The travel documents issued by the department include: Kenya and East Africa passports, Temporary permits, Certificate of identity & Nationality, and United Nations travel documents. In the case of Kenya, NCIC audit report on culture change in the civil service showed racial as well as ethnic inequalities. The report indicated that only 10 out of 42 ethnic tribes in Kenya takes up 88.3%, and those 20 tribes do not even make up 1% of the total workforce.

Such exclusion and inequality implies that public resources such as salaries benefits members of a few communities, which has had a strong impact in the country's development outcomes and national unity and a major cause of acrimony and poor service delivery in most government ministries and department, (NCIC, 2012). It is for these reasons that management of Immigration Department should be at the forefront in ensuring that the laid down legislations on workplace culture change are adhered to so as to set a benchmark performance for other public institutions and other government agencies across the country to copy.

## **2. Theoretical Review**

### **2.1. Social identity theory**

Social identity theory has been used to predict and understand how culture change influences individual attitudes and behavior as well as team dynamics. To explain the effects of culture change on individual outcomes, the basic argument is that one's similarity on visible and relatively immutable traits influences feelings of identification (Tsui, Egan & O'Reilly, 2006). Within groups, identification based on demographic similarity is associated with in-group biases and team conflict.

By extending the logic of theories that explain individual attitudes and behavior, culture change researchers have found a strong theoretical rationale for making predictions about how culture change is likely to influence social processes within teams and organizations.

### **2.2. Similarity/Attraction Theory**

The similarity/attraction stream of research is predicated on the notion that similarity in attributes, particularly demographic variables, increases interpersonal attraction and liking. Individuals with similar backgrounds may find that they have more in common with each other than with others from different backgrounds, making it more comfortable for them to work together and collaborate toward producing a product or solving a problem.

Early research using the similarity/attraction concept found that dissimilarity led to a lack of attraction to others that manifested itself through decreased communication, message distortion, and communication error (Cameron & Quinn, 2002). As with social identification and categorization theory, similarity/attraction research would predict that high levels of culture change in an organization or in a work group are likely to lead to faulty work processes. These faulty work processes will, in turn, lead to weaker performance.

### **2.3. Empirical literature**

#### **2.3.1. Organizational Culture Change on Organization's Performance**

Several authors have argued that organizational cultures shape culture change dynamics. Cox (2003) and Cox and Tung (2007) argued that the consequences of culture change depend on the degree of structure and informal integration present in the organization. Ely and Thomas (2011) argued that culture change is more likely to lead to positive outcomes when the organizational culture emphasizes integration and learning.

A successful culture change strategy must address organizational culture change to create a work environment that nurtures teamwork, participation and cohesiveness – characteristics of a collective versus individualistic organizational culture (Dwyer, Richard & Chadwick, 2001).

Cox (2001) suggests starting with a visioning exercise for change that specifically identifies what success in a multicultural organization might look like. A culture change council with credible people from a cross-section of functions should be charged with creating a business culture change strategy and serving as a resource. Culture change should be strategically integrated with the business objectives (Richard, 2000). Adoption of the New Constitution has introduced a new democratic process. The constitution of Kenya (2010) talks of the right to equal opportunities in political, economic, cultural and social spheres.

It also prohibits discrimination directly or indirectly against any person on any ground including race, sex, pregnancy, marital status, health status, ethics or social origin, colour, age, disability, religion, conscience, belief,

culture, dress, language or birth, (Constitution of Kenya 2010).

### 2.3.2. Challenges Facing Organization's Performance

One reason training may have limited impact is that most training programs reinforce norms, values and perspectives of the dominant organizational culture; the focus is on helping members of the non-dominant group to adapt to the majority (Tung, 2005).

Another reason is that the training, itself, may not incorporate what we know about transfer of training. The training context may be different enough from the ongoing work context so as to make it difficult for trainees to exhibit behavior similar to those learned in training (Ford & Fisher, 1996). A third reason may relate to insufficient skill levels of culture change trainers.

### 2.3.3. Measures put in place to enhance organizational performance

Barnlund (2008) defines communication as the process by which persons share information, meanings and feelings through the exchange of verbal and nonverbal messages. Effective communication in a diverse work group is about inclusion. It is about focusing on the effective flow of information that reaches out and captures ideas, opinion, experiences and perspectives in diversity (Kuga, 2006). It helps workers in improving worker motivation and performance (Robbins 2001).

Research clearly shows that leader communication practices play an integral role in developing and sustaining the employee commitment (Goleman, 2000; Reina & Reina, 1999). Communicating in diverse workgroup is a business issue (Kuga, 2004). Another vital requirement when dealing with culture change is promoting a safe place for employees to communicate (Koonce, 2001). Social gatherings and business meetings, where every member in an organization must listen and have a chance to speak are good ways to create dialogues.

A manager needs to implement policies such as mentoring programs to provide employees access to information and opportunities. Also, employees should never be denied necessary, constructive critical feedback for learning about mistakes and successes (Flagg, 2002).

## 3. Methodology

### 3.1. Research Design

The study adopted a mixed methodology carried out in descriptive survey design since the study intends to gather quantitative and qualitative data that would describe the factors influencing cultural culture change at the immigration department.

### 3.2 Target Population

Target population as defined by Frederic (2010), is a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target population was the employees of immigration department. This included both the employees on permanent and temporary contracts of employment which is 380 employees.

### 3.3 Sample Size and Sampling Technique

The sampling frame describes the list of all population units from which the sample was selected (Cooper and Schindler, 2008, Kothari, 2004).

It is a physical representation of the target population and comprises all the units that are potential members of a sample.

According to Denning (2001) sampling is the process by which a relatively small number of individual, object or event is selected and analyzed in order to find out something about the entire population from which it was selected.

Mugenda and Mugenda (2003) define the target population as a complete set of individuals, case or objects with the same common observable characteristics. The study used descriptive research design; 10 - 20% of 380 respondents were used in this study. In this study 20% of 70 support staff to give 14, purposive sampling of 100 immigration officer was used and purposive sampling of 10 section heads was used. The total sample was 100 respondents.

**Table 3.1: Sample size**

Category	Target Population	Sample Size
Section heads	10	3
Immigration officer	300	79
Support Staff	70	18
<b>Total</b>	<b>380</b>	<b>100</b>

**Source: (Immigration Department, 2013)**

### 3.4. Research Instruments

The study collected both primary and secondary data. Primary data was gathered using semi-structured questionnaires where the respondents were issued with the questionnaires. Questionnaires are preferred because according to Cox (2000), they are effective data collection instruments that allow respondents to give much of their opinions in regard to the research problem.

### 3.4.1 Validity of Research Instruments

Validity is the accuracy and meaningfulness of inferences used on the research results (Mugenda & Mugenda, 2003, Kothari, 2004). The researcher tested the research tools to check their ability to measure what they purport to measure. The researcher also used the expert opinion of the supervisor, whose comments and suggestions helped to remove ambiguity in the questionnaires and add new items that might have been forgotten. One organization was used for piloting. Ambiguous items was modified or discarded, based on the pilot results.

### 3.4.2 Reliability of Research Instruments

Reliability is the degree to which a research instrument yields consistent results after repeated trials (Mugenda & Mugenda, 2003). The study uses the test-retest technique to assess reliability by administering the test to the same respondents allowing a time lapse of two weeks between the two administrations.

Results were correlated to determine how closely the participants' responses on the second occasion matched those on the first occasion. This ensured stability, internal consistency and equivalence of the findings.

The formula for determining test-retest reliability or correlation coefficient (Pearson's formula) is

$$r = \frac{n \sum xy - (\sum x)(\sum y)}{\sqrt{n(\sum x^2) - (\sum x)^2} \sqrt{n(\sum y^2) - (\sum y)^2}}$$

Where; x = first test , y= second test and N number of observations .

### 3.5. Pilot Study

The aim of the pilot study is to test the reliability of the questionnaires. According to Ebrahim (2003), a pilot test is necessary for testing the reliability of data collection instruments. Cox (2000), explains reliability of research as determining whether the research truly measure that which it was intended to measure or how truthful the research results was. Pilot study was conducted to detect weakness in design and instrumentation and to provide proxy data for selection of a sample.

The researcher selected for piloting the immediate supervisor from the target population to test the reliability of the research instrument. The pilot data was not be included in the actual study. The pilot study allowed for pre-testing of the research instrument.

### 3.6. Data Collection Procedures

A research permit to conduct research was being obtained from the National Council of Science and Technology (NCST) of Kenya and a letter of introduction from the University authorities to proceed to the field. The respondents were informed through writing. The researcher used the administer and wait basis to administer questionnaires so as to clarify the terms in the questions and ensure proper responses and good return rate. Confidentiality of respondents was respected.

### 3.7. Data Processing, Analysis and Presentation

The Statistical Package for Social Sciences (SPSS Version 20) computer software was used for analysis to generate data array that would be used for subsequent analysis of the data. SPSS has descriptive statistics features that would assist in variable response comparison and give clear indications of response frequencies. The data was coded to enable the responses to be grouped into various categories. Descriptive statistics was used to summarize the data. This included percentages and frequencies.

Tables and other graphical presentations were appropriately used to present the data that was collected for ease of understanding and analysis.

### 3.8. Ethical considerations

An introductory letter was done as a request for the respondents' participation. The researcher complied with some principles which aim at protecting the dignity and privacy of every individual who, in the course of the research work was requested to provide personal or commercially valuable information about oneself or others (hereinafter referred to as a subject of research). Before one becomes a subject of research, there was notification of the aims, methods, anticipated benefits and potential hazards of the research; his/her right to abstain from participation in the research and his/her right to terminate at any time his/her participation; and the confidential nature of his/her replies.

Also no individual become a subject of research unless he/she is given the notice referred to in the preceding paragraph and provides a freely given consent that he/she agrees to participate. No pressure or inducement of any kind shall be applied to encourage an individual to become a subject of research.

## 4. Findings

**Table 4.2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.673 <sup>a</sup>	.752	.713	.521

Adjusted R squared is coefficient of determination which tell us the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of adjusted R squared was 0.713 an indication that there was variation of 71.3 percent on organization performance due to changes in the independent variable which are Motivation, Training, Focused top leaders and effective communication.

This shows that 71.3 percent changes in organization performance could be accounted for by Motivation, training, focused top leaders and effective communication at 84 percent confidence interval. R is the correlation coefficient which shows the relationship between the study variable, from the findings shown in the table above there was a strong positive relationship between the study variable as shown by 0.673 percent.

**Table 4. 3: Anova**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.533	1	0.211	1.2418	.050 <sup>b</sup>
	Residual	10.551	38	0.127		
	Total	11.084	39			

From the ANOVA statistics in table above, the processed data, which is the population parameters, had a significance level of 5 percent which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value ) is less than 5 percent. It also indicates that the model was statistically significant.

**Table 4. 4: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	1.110	.222		4.250	.010
	Motivation	1.502	.052	.053	30.365	.025
	Training	0.205	.075	.126	14.291	.038
	Focused Top Leadership	1.017	.120	.167	8.141	.041
	Effective communication	0.852	.573	.025	1.760	.037

Assume: X<sub>1</sub>= Motivation; X<sub>2</sub>= Training;  
 X<sub>3</sub>= Focused Top leadership; X<sub>4</sub>= Effective communication

The established regression equation was

$$Y = 1.110 + 1.502 X_1 + 0.205 X_2 + 1.017 X_3 + 0.852 X_4.$$

From the above regression equation it was revealed that Motivation, training, focused top leaders and effective communication at 95 percent confidence interval to a constant zero, motivation of organizational culture would stand at 1.502, a unit increase in focused top leaders would lead to increase in the organization performance by a factors of 1.017, unit increase in training would lead to increase in organization performance by factors of 0.205, unit increase in effective communication lead to increase in organization performance by a factor of 0.852.

## 5. Conclusion

The study found that the identity has played a functional role in the organization culture among employees from diversified groups to a great extent. On the other hand, it was found out that ethnic or religious conflicts affected organization's performance to great extent. The study found that diversity training at workplace affects organizational performance indirectly to great extent.

The researcher makes the following recommendations the organization management should improve their organizational culture in order to properly manage workplace diversity, this will encourage teamwork in the organization and enhance performance. It also recommends that organizations start training diversity programs in order to properly manage workplace diversity. The study further recommends that the organization management should improve on the leadership communication style in order to properly manage workplace

diversity, this can be enhanced by ensuring proper mechanism are put in place to streamline internal communication within the organization.

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