Corporate Culture and Organizational Effectiveness: A Study of the Nigerian Banking Industry

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Abstract
The study examined the effect of Corporate Culture on organizational effectiveness in the banking industry. A total of 388 managers were randomly drawn from a population of 13,339 managers of all the 24 banks in Nigeria. The instruments used for data collection were questionnaires and oral interview. A total of 320 copies of the questionnaire were retrieved and analyzed. Spearman’s Rank Correlation Statistical tool was used to test the hypotheses. The findings indicate that adaptability positively influences organizational profitability and market share. There is no significant relationship between adaptability and organizational productivity. Shared mission, employee involvement, and shared values (consistency) are positively related to profitability, productivity and market share. Based on these findings we concluded that corporate culture has significant influence on organizational effectiveness. It is therefore recommended that in addition to continuous adaptability, organizations should put in place definite plans to minimize cost and waste, as this will promote effectiveness. Organizations’ mission should be shared amongst employees to enable them contribute effectively to the achievement of organizational goals. Employees should be involved in decision-making process, especially in issues that concern them, as this will make them to be committed to the achievement of such decisions taken. Organization’s values should be shared amongst employees as it will enable them to act in the interest of the organization at all times. Socialization of new employees should be encouraged, as it is a powerful tool in managing shared values. New bases for shared values need to be reformulated in response to variety in the organization’s environment to enable the organization adapt to environmental turbulence.

Keywords: Corporate culture, adaptability, shared mission, employee involvement, shared values, organizational effectiveness,

Introduction
Organizations ability to cope, survive and make progress determines how effective they are. They continue to face highly uncertain and chaotic environment caused by capital problems, difficult unions, foreign competition, rapid changes in product and processes, energy, government regulation, increasing importance of skill, quality, productivity and other stresses which call for increased adaptability and flexibility (Hall and Fukami, 1979). There is an increasing demand for committed employees who need little or no supervision to carry out their jobs efficiently for the good of the organization. Employees, who know what to do and desire to do them without being told, are in high demand. Managers desire an alternative control system that is reliable for the achievement of effectiveness in the organizations. Organizations need to be productive, profitable and increase their market share even with the challenge of coping with changes in the environment. The need to achieve their goals has made managers seek for cultural means of motivating employees to be productive. Whereas structure is important in defining individual responsibilities within the workflow process, a congruent culture ensures that individuals carry out these responsibilities with minimum resistance. More importantly, strong culture dictates the way things should be done and creates expectations shared by group members, which are not outlined explicitly by formal structure. Corporate culture relates to goals that should be pursued and standard of behaviour that should be maintained by employees as they pursue those goals.

Several researches on how to optimize performance have taken place in the past two decades. It has been argued that strategic group membership and associated collective behaviours are the primary sources of durable differences in firm profitability and organization effectiveness (Caves and Porter, 1977). This implies that the collective behaviour of organization members which culture helps to control is important to its effectiveness. In relation to this argument, Glasister and Buckley (1998) identified corporate culture as one of the factors responsible for organizational effectiveness. A strong corporate culture (that is, one in which everyone understands and believe in the firm’s goal, priorities and practices) that encourages the participation and improvement of all organization’s members has been identified to be one of its most important assets (Denison, 1985). Corporate culture has been cited
as an explanation for the differences in productivity among American firms, and differences in productivity between American and Japanese companies (Peters and Waterman, 1982; Denison, 1985). Superior Japanese productivity has been consistently attributed in part, to better organization of work, consensus decision making, and an elusive quality called the effective management of ‘human resources’ (Denison, 1985).

The hypothesis that strong cultures enhance firm performance is based on the intuitively powerful idea that organizations benefit from highly motivated employees dedicated to common goals (Peters and Waterman, 1982; Denison 1990; Denison & Mishra 1995). In support of this argument, quantitative analysis has shown that firms with strong culture outperform firms with weak culture (Gordon and DiTomaso, 1992, Denison, 2007). Sorensen (2002) showed that the relationship between cultural strength and performance reliability depends on how strong culture firms learn from and respond to their own experiences and changes in their environment. The result shows that in relatively stable environments, strong-culture firms have more reliable performance. However in volatile environments, the reliability benefits disappear. Culture is obviously a complex phenomenon, and its influence within an organization is ubiquitous.

Over the past decade, a great deal has been written about corporate culture and the important role it plays in successful performance of organizations, (Peters and Waterman, 1982, Denison, 1985, Deal and Kennedy, 2000, Sorensen, 2002, De Silva, 2005, Denison, 2007, Amah 2009, Zheng et al, 2010, Malik et al, 2011). Despite this growth of scholarly publications on corporate culture and organizational effectiveness, little empirical evidence exists in developing countries especially in Nigeria. To bridge this gap in literature, this study examines the relationship between corporate culture and organizational effectiveness in the Nigerian banking industry. By exploring the effect of corporate culture on organizational effectiveness, organizations can develop stronger adaptive cultures that can enhance their competitive advantage and effectiveness.

**Theoretical Background**

The origin of culture as an independent variable affecting an employee’s attitudes and behaviour can be traced back more than 50 years ago to the notion of institutionalization (Hammonds, 2000). Institutionalization operates to produce common understanding among members about what is appropriate and fundamentally meaningful behaviour. Organizations as institutions tend to have acceptable modes of behaviour that are largely self-evident. Culture is an important force determining managerial attitudes and practices, and does influence the practice of management. Cultural differences may often affect management expectations and styles. Coping with other cultures and trying to understand why and how culture influences behaviour is one of the most crucial issues facing management. The impact of culture in organizations is becoming increasingly important. Effect can be positive, as evidenced in the cases of Wal-Mart, UPS, and South-West Airlines. Employees of South West Airlines for example, actually accept lower wages than their industry counterparts in order to be part of the ‘fun’ working environment created by South West’s people Department Motto: Hire for Attitude, Train for Skills. Cultures of obscurity and distrust, however, can have a negative effect on organization performance such as recently observed at Enron and WorldCom.

In order to achieve their goals, organizations are driven by their own kind of culture known as ‘corporate culture’, which has significant influence on member’s attitudes and behaviours. Bateman and Snell (1999) observed that a company’s culture provides a framework that organizes and directs people’s behaviour on the job. Corporate culture impact individual behaviour on what it takes to be in good standing and directs the appropriate behaviour for each circumstance. Culture is an essential quality of excellent organizations (Peters and Waterman, 1982; Amah, 2006). Culture is viewed as the organization’s DNA (Deoxyribonucleic Acid) – invisible to the naked eye yet powerful template that shapes what happens in the workplace (Davenport 1998). Corporate culture has been defined as “the way things get done around here” (Deal and Kennedy, 2000). This implies that the culture of one organization can differ from another even in the same industry. Schein (1985) defined corporate culture as the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integration that have worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems. Based on this definition culture tends to serve two critical functions in organizations; (1) to integrate members so that they know how to relate to one another and (2) to help the organization adapt to the external environment. Internal integration refers to the collective identity members develop that enable them work together effectively. External adaptation refers to how the organization meets its goals and deals with outsiders.
Culture helps guide daily activities of workers to meet certain goals. It enables organizations respond rapidly to customers’ need or the moves of a competitor. Nickels et al. (2010) further defined corporate culture as widely shared values within an organization that provide coherence and cooperation to achieve goals. This means that corporate culture guides employees together and also enable them cooperate towards the achievement of organizational goals. Corporate culture has also been defined as “the set of values, guiding beliefs, understandings, and ways of thinking that is shared by members of an organization and is taught to new members as correct” (Duncan, 1989). This implies that culture is learned and not genetically inherited. The learning process tends to go on unconsciously making culture pass from one generation to another unnoticed (McShane and Von-Glinow, 2006). It suggests that culture can be changed if the dynamics of learning process are known. The underlying values may include ethical behaviour, commitment to employees, efficiency or customer service. Hills and Jones (2003) defined corporate culture as the “specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization”.

Culture seems to determine things like loyalty and commitment, how employees work and how far they are prepared to take risks. It is also the organizationally induced collective ‘mental programming which all members of the organization share (Ahiauzu, 1999). McShane and Von Glinow (2006) described corporate culture as an automatic pilot that directs employees in ways that are consistent with organizational expectations. It can be regarded as a deeply embedded form of social control that guides employee’s decisions and behaviour so that they are consistent with the organization’s success. This means that organizations with a strong culture that is directed to the market place may not need policy manuals organizational charts, detailed procedures and rules to succeed. In such organizations, people way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear (Peters and Waterman, 1982). Employee’s actions are rooted in their company’s culture. Corporate culture tends to provide a less expensive alternative to the old command-and-control system of direct supervision that is incompatible with today’s more independently minded workforce. Corporate culture therefore tends to enhance management in coordinating and integrating people with diverse personal and cultural value systems in the workplace.

Employees are motivated to internalize the organization’s dominant culture because it fulfills their need for social identity. It tends to enable organizations to attract new staff and retain top performers. Corporate culture tends to help employees understand organizational events. It makes them get on with their tasks rather than spend time trying to figure out what is expected of them. It enables employees communicate freely and efficiently and reach higher level of cooperation with one another because they share common mental models of reality. The stable nature of culture makes it possible for one to distinguish one culture from the other. Culture tends to carry with it a momentum, which guides and patterns change.

Sources of Corporate Culture
An organization’s current customs, traditions and general way of doing things are largely due to what has been done before and the degree of success it has had (Robbins and Judge, 2011). The ideas that become part of culture may come from anywhere within the organization (Daft, 2003). This includes a combination of founders, past leadership, current leadership, crisis, events, history and size. There may also be an extant internal culture within the workforce. Task culture may also be imported. For example computer technicians may have an expertise language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole. The ideas and values that lead to success tend to be institutionalized leading to the emergence of organizational culture that reflects the vision and strategy of the founder or leader. Examples includes, Herb Kelleher at Southwest Airlines, Chungtu Yung at Hyundai, Bill Gates at Microsoft, Ingrar Kamprad at IKEA, Fred Smith at Federal Express, and Mary Kay at Mary Kay Cosmetics. Founders tend to develop the systems and structures that support their personal values. They are the visionaries whose energetic style provides a powerful role model for others to follow (McShane and vonGlinow, 2006).

Influence of African Societal Culture on Corporate Culture and Organizational Effectiveness
Yinger (1996) posit that culture can be discussed in terms of universals, total and subcultures. In this context, North America as a continent can be viewed as a culture. Africa can also be viewed as a culture. Nigeria as a country can be viewed as a culture. Culture is so elastic that the whole earth can be viewed as a culture. The ordinary African generally displays “people orientation in his thought processes” in contrast from “things orientation” as is the case in

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Societal culture has an impact on the corporate culture and its influence on the organizational effectiveness for by their upbringing. If the society for example values hard work and carefulness, the employees will be hardworking be remunerated fast, quick returns. They want to see the result of what they are doing, fast”. Supporting this view, Nigerians. All religious beliefs recognize that there is a supreme being but what differs is the mode of worship. The John Jackson, MD/CEO of United Parcel Service also observed that: Noting motivates Nigerians more than money ….I believe that more than anywhere in the world. Money counts in Nigeria, perhaps more than it should count. Certainly, it is the key factor in getting the Nigeria worker to do anything.

Societal culture has an impact on the corporate culture and its influence on the organizational effectiveness for several reasons. First, the founders and top management of organizations that draw up its mission and gives it, values to uphold came from the society and have sufficiently imbibed its culture as individuals. Thus, they can give to the organization only what they have taken from the society as they were growing up. Since the organizations’ success and effectiveness to a large extent depends on its ability to set goals and achieve it, the societal culture plays a role. The founders and top managers will only value what the society values and will set the goals for the organization according to its values. Second, the employees that work in the organization also come from the society and have also been influenced by the societal culture. At the workplace, their behaviours and attitudes are greatly influenced by their upbringing. If the society for example values hard work and carefulness, the employees will be hardworking and careful at the place of work without difficulty. They will however, find it difficult to do what is strange to their societal culture. This is among the several reasons given why Africans attitude to work is relatively poor. Other reasons include the manner in which wage employment was originally introduced and the nature of African communities. Societal culture is common to founders and top managers as well as employees. It is therefore possible for it to influence them as they strive to achieve effectiveness at the workplace. This forms the basis for exploring cultural alternatives to solving the problem of ineffectiveness plaguing organizations, especially the banks in Nigeria.

Corporate Culture and Performance
Denison (1984) drawing on survey and performance data for 34 companies, showed that organizations that have participative corporate cultures and well organized work places have better performance records than those that do not. The results, presented in terms of return on investment and other financial indicators, indicated that companies with a participative culture reap a return on investment (ROI) that averages nearly twice as high as those in firms with less efficient cultures. The data presented provided hard evidence that the cultural and behavioural aspects of organizations are intimately linked to both short-term performance and long-term survival. In a separate study, Denison and Mishra (1995) reported significant correlations of adaptability, involvement, consistency, and mission with sales growth and return on assets. Based on surveys of management practices, Gordon and DiTomaso (1992) found that among a sample of life insurance companies, adaptability both as value and culture strength (i.e. the extent of agreement concerning practices), were related to subsequent growth in premiums and assets. Kotter and Hesckett (2011) also reported that when compared to lesser performing firms, higher performing firms were characterized as placing a high value on customers, employees, and stockholders. Being part of an
organization entails being part of its culture. Stoner et al (2001) stated that “how we do things around here” has a profound impact on the performance of an organization. They argue that today’s organizations face the challenge of adopting an organizational culture that is not only flexible, but also sensitive to the many cultural differences that organization members face both within and between societies. Culture is linked to performance through the adoption of specific and consistent modes of behaviour throughout an organization. Organizational effectiveness can be defined as the ability of an organization to fulfill its mission by achieving its objectives through a combination of sound management, strong governance and a continuous rededication to assessing and achieving results. Kotter and Heskett (2011) reported that culture has a strong – and increasing – impact on the performance of organizations. Their study has four main conclusions; first, that corporate culture can have a significant impact on a firm’s long-term economic performance. Second, corporate culture will probably be an even more important factor in determining the success or failure of firms in the next decade. Third, those corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people. Fourth, that although tough to change corporate cultures can be made more performance enhancing. From their findings, it is obvious that corporate culture has strong influence on organizational effectiveness. The influence could be positive or negative. The study also shows that corporate culture can also be used to enhance performance.

Kotter and Heskett (2011) also reported that some corporate cultures are adaptive while others are not. They argue that firm’s culture must be adaptive to prevent the inhibition of long-term financial performance, which may occur even in the presence of reasonable and intellectual people. Johnson (1993) reported how a customer – oriented, personable culture at Family Dollar contributed to the company’s $1.2 billion in sales for 1992. He argued that strong culture could help build the financial success of a firm. In the same way, the financial success at the Limited Incorporated is attributed to its culture that emphasizes relationship – between the company, employees, and customers (Wexner, 1992). Kotter and Heskett (2011) reported several cases where cultural changes have led to periods of renewed financial performance. They claimed that a critical element in successful change is leadership from the top. The founders / leaders tend to take charge of the culture. A culture that encourages the training of employees together yearly at Family Dollar is attributed with the keeping of employees connected to one another and increased productivity (Stoner et al, 2001). Culture is reinforced constantly through the creation of stories, heroes, rites, slogans and ceremonies (Robbins and Judge, 2011). The founder of Body shop Anita Roddick is reported to have used a strong corporate culture built on social activism to establish a successful organization (Stoner et al, 2001). Although some large organizations embrace some of the new rules, in general it is easier for small, new businesses to develop this type of culture from the start than for large, established organizations to change an existing culture. The research conducted within the scope of the Carl Bertelsmann Prize 2003 has proven that a corporate culture, if designed humanely and efficiently and exemplary leadership behavior rank among the decisive success factors for many European companies. Lejeune and Vas, (2009) also reported that the cultural change induced by accreditation seems to be correlated with a positive impact on performance.

Culture as a Liability
Culture is a liability when the shared values are not in agreement with those that will further the organization’s effectiveness. This occurs most likely when an organization’s environment is dynamic. When an environment is undergoing rapid change, an organization’s entrenched culture may no longer be appropriate (Robbins and Judge, 2011). Cultural compatibility has recently become the primary concern in making acquisition or merger decisions, whereas before, the key factors that managers consider were related to financial advantages or product synergy (Krell, 2001). A favourable financial statement or product line may be the initial attraction for the acquisition or merger, but how well the two organizations’ cultures match may eventually determine if the merger or acquisition will work. One survey, recently reported that over half of executives in major U.S companies identified integrating organizational cultures as the top challenge in a merger (Marron, 2001). For mergers and acquisitions to be successful the people and culture must be involved. Stewart (2001) identified corporate culture as part of the cause of the failure of 3-Com and U.S Robotics merger. The two firms seem to have significantly different cultures. A number of acquisitions consummated in the 1990s have already failed and the primary cause is conflicting organizational culture (Arndt, 2000). Examples include AT & T’s 1991 acquisition of NCR, Daimler-Benz and Chrysler Corp merger in 1998. Human organizations are influenced by human behaviour and therefore cannot be simply added together. A bicultural audit diagnosing cultural relations between two merging companies is necessary to minimize the cultural collisions that occur in mergers. Corporate culture can be a strong force for financial
performance, the strength of the concept of culture is also its potential weakness. Culture is difficult to change, especially at the level of underlying assumptions and values (Stoner et al., 2001).

In today’s world many of the assumptions and values that operate tend to be different from those of a generation ago. Outmoded beliefs, assumptions, practices, policies, systems and strategies inhibit change and innovation. Organizations are not static, they continuously adapt to shifts in the external environment. Employees must learn how to use the new technology, or market new products, or work effectively in a team-based structure. Change in employees’ behaviours and attitude is the key to continuous organizational renewal needed in today’s rapidly changing world. Research does propose that if an organization’s culture is to improve its overall performance and effectiveness, its culture must be strong and provide a strategic competitive advantage and its beliefs and values must be widely shared and firmly upheld (SHRM, 2011). Many studies have shown a correlation between particular cultural characteristics and economic measures of success such as growth, profitability and stock value. This relationship is also moderated by a host of other non-cultural factors making causality a challenge. While strong cultures are often associated with high performance, the wrong type of strong culture can lead to the opposite effect. The effect of corporate culture on organizational effectiveness is seen in four dimensions – adaptability, mission, involvement and consistency. We shall discuss the effect of the dimensions of corporate culture on organizational effectiveness next, starting with adaptability.

Adaptability
Adaptability is the degree to which an organization has the ability to alter behaviour, structures; and systems in order to survive in the wake of the environmental change (Denison, 2007). Adaptability entails translating the demands of business environment into action. Organizations as open systems exist in environment that is complex and uncertain. To survive and make profit, organizations need to adapt continuously to the different levels of environmental uncertainty. Environmental uncertainty represents an important contingency for organization structure and internal behaviours (Daft, 2003). Organizations need to have the right fit between internal structure and the external environment. Denison (2007) identified three aspects of adaptability that impact an organization’s effectiveness. These include first, ability to perceive and respond to the external environment. Successful organizations are very focused on their customers and their competitors. Second is the ability to respond to internal customers, regardless of their department or function. Third is the capacity to restructure and re-institutionalize a set of behaviours and processes that allow the organization adapt. Without the ability to implement adaptive response, an organization cannot be effective (Denison, 2007). An organization must learn so that it can adapt to changing environment (Lee, 1999). Given the ever-accelerating rate of global scale change, the more critical learning and adaptation become to organization relevance, success and ultimate survival. Managers must encourage their employees to share and develop their knowledge bases with each other to improve performance. Personal relationships are very important for the meaningful internal transfer of information that will enable the organization to adapt to changes in the environment. To achieve adaptability, the organization needs to deliberately align its organizational dimensions: vision, strategy, leadership, culture, structure and processes to facilitate organizational learning (Redding, 1997).

Organizational Effectiveness
Effectiveness is a broad concept and is difficult to measure in organizations (Daft, 2003). It takes into consideration a range of variables at both the organizational and departmental levels. It evaluates the extent to which the multiple goals of the organization are attained. It is difficult for managers to evaluate performance on goals that are not precise or measurable. However, performance measurement that is tied to strategy execution can help organizations reach their goals. Daft (2003) has identified two major approaches to measurement of organizational effectiveness – the traditional and contemporary approaches. The traditional approaches include the goal approach, the system resource approach and the internal process approach. The goal approach to organizational effectiveness which this study considers is concerned with the outputs, whether the organization achieves its goals in terms of its desired level of outputs (Strasser et al., 1981). This means that this approach identifies the organization’s output goals and assesses how well they have been attained. It is based on the fact that organizations have goals they are expected to achieve. Hall and Clark, (1980) argue that the important goals to consider are the operative goals and not the official goals. The official goals tend to be abstract and difficult to measure while the operative goals reflect the activities the organization is actually performing. The goal approach is used in business organizations because output goals can be readily measured (Daft, 2003). Top managers can report on actual goals of the organization since such goals
reflect their values. Once goals are identified, subjective perceptions of goal achievement can be obtained if quantitative indicators are not available.

Profit has been defined as the money a business earns above and beyond what it spends for salaries, expenses, and other costs (Nickels et al., 2010). Profit is one of the major reasons for venturing into business. Profitability means a state of producing a profit or the degree to which a business is profitable. Profitability is the primary goal of all for-profit business ventures (Amah, 2006). Without profitability the business will not survive in the long run. Conversely a business that is highly profitable has the ability to reward its owners with a large return on their investment. According to Thompson and Strickland (2001:9, 42):

Achieving acceptable financial result is crucial... Achieving acceptable financial performance is a must, otherwise the organization's financial standing can alarm creditors and shareholders, impair its ability to fund needed initiatives and perhaps even put its very survival at risk.

This makes measuring current and past profitability and projecting future profitability a very important issue. Profitability has been identified as criteria for organizational effectiveness by many authors (Friedlander and Pickle, 1968 and Maheshwari, 1980).

Productivity is basic to organizational effectiveness. Productivity is defined by Amah (2006:221) as “the measure of how efficiently and effectively resources (inputs) are brought together and utilized for the production of goods and services (out puts) of the quality needed by society in the long term”. This implies that productivity is combination of performance and economic use of resources. High productivity indicates that resources are efficiently and effectively utilized and waste is minimized in the organization. Productivity balances the efforts between different economic, social, technical and environmental objectives (Amah, 2006). High productivity provides more profit for investors and promotes the development of the enterprise. Productivity measurement indicates areas for possible improvements and shows how well improvement efforts are fairing. It helps in the analysis of efficiency and effectiveness. It can stimulate improvement and motivate employees. Productivity is expressed in terms of cost for a unit of production; “units produced per employee” or “resource cost per employee” (Daft, 2003). Productivity improves, when the quantity of output increase relative to the quantity of input. It includes measures such as time minimization, cost minimization and waste minimization. Speed and time are important resources, organizations seek to maximize speed and minimize time. The way they do these indicates how efficient and productive they are.

Market Share refers to the company’s sales as a percentage of the sales in its target market (Czinkota et al., 1997). This means that in strategic management and marketing, market share is the percentage or proportion of the total available market or market segment that is being serviced by a company. It can be expressed as a company’s sales revenue (from that market) divided by the total sales revenue available in that market. It can also be expressed as a company’s unit sales volume (in a market) divided by the volume of units sold in that market. According to Czinkota et al (1997), the measure of share and concept of prospects are important because they describe the extra business that a producer can reasonably look for, and when to obtain it. Increasing market share is one of the most important objectives used in business. The main advantage of using market share is that it abstracts from industry-wide macro environmental variables such as the state of the economy or changes in tax policy. According to the national environment, the respective share of different companies changes and hence this causes change in the share market value; the reason can be political ups and downs, and disaster, any happenings or mis-happenings. Market share has the potential to increase profits. Small market share increases, mean very large sales increases. Studies have shown that, on average, profitability rises with increasing market share (Kotler and Armstrong, 2009). Because of these findings, many companies have sought to expand market shares to improve profitability. Market share is important because it enables one to know the strength of the organization whether they are leaders or minor players and also if the organization is still holding, gaining or losing share of its target market (Kotler, 1999). A strong and adaptive culture is necessary for organizations to maintain and expand their market share (McShane and Von Glinow, 2006). From the foregoing the following hypotheses were derived. The research hypotheses are:

- $H_{01}$: There is no significant relationship between adaptability and profitability.
- $H_{02}$: There is no significant relationship between adaptability and productivity.
- $H_{03}$: There is no significant relationship between adaptability and market share.
Mission

Mission refers to the existence of a shared definition of an organization’s purpose. Bateman and Snell (1999) defined mission as an organization’s basic purpose and scope of operations. This means that the mission expresses the reason for the existence of the organization and the range of activities it intends to embark upon; what it hopes to achieve. In diagnosing culture, corporate mission statements and official goals tend to be the starting point as they express the firm’s desired public image. Daft (2003) defined mission, as the overall goal for an organization. To him, the mission describes the organization’s vision, its shared values and beliefs and its reasons for being. Goals are broad, long-term accomplishments an organization wishes to attain (Nickels et al 2010). They are very important and need to be mutually agreed upon by workers and management. They have a powerful impact on the organization. The ability to put these goals in place in organizations tends to determine the firms’ success. Goals provide a standard for assessment. The level of organization performance, whether in terms of profits, units produced, or number of complaints, needs a basis for evaluation. One can say that official goals and mission statements describe a value system for the organization while the operative goals represent the primary tasks of the organization. Being able to internalize and identify with an organizations mission contributes to both short and long-term commitment to the organization (Denison, 1990). Company survival seems to be the most powerful super-ordinate goal that has improved relationships among groups in organizations. Success is more likely when individuals and organizations are goal-directed. Denison (1990) identified three indices for the mission trait – Strategic direction and intent, goals and objectives, and vision. Clear strategic direction and intent convey the organizations purpose; make it clear how every one can contribute and “make their mark” in the industry. This is important because it makes employees know what to do to contribute their quota to the organization’s success. Organizations are created and designed to achieve some end, which is often decided by the chief executive officer and/or the top management team. Kotter (1982) stated that “the primary responsibility of top management is to determine an organizations goals, strategy and design, therein adapting the organization to a changing environment”.

There are two broad schools of thoughts on how the process works: the coalitionists and the top-down theorists. The coalitionists argued that a firm strategy is the end result of a series of struggles among competing interest groups or coalitions. By contrast, the top-down theories argue that strategy formulation follows a three-step process, generally referred to as SWOT (strength, weakness, opportunities, and threats) analysis. In this process, senior management (1) examines the environment and assesses the financial, programmatic and other signals- both positive and negative, (2) compares these environmental signals with the firm’s strengths and weakens and incorporates the firm’s values into the analysis; and (3) Selects a strategic direction (Young, 2000). In line with the top-down theories Daft (2003) stated that the direction setting process typically begins with an assessment of the opportunities and threats in the external environment, including the amount of change, uncertainty and resource availability. Top management also assesses internal strength and weakens to define the company’s distinctive competence compared with other firms in the industry (Snow and Hrebiniak, 1980). The next step is to define overall mission and official goals based on the correct fit between external opportunities and internal strengths. Specific operational goals or strategies can then be formulated to define how the organization is to accomplish its overall mission. A clear set of goal and objectives can be linked to mission, vision and strategy and provide everyone with a clear direction in their work (Denison, 1990). The organization has a shared view of desired future state- the vision. It embodies core values and captures the heart and minds of the organizations members while providing guidance and direction. From the foregoing the following hypotheses were derived. The research hypotheses are:

Ho1: There is no significant relationship between shared mission and profitability.

Ho2: There is no significant relationship between shared mission and productivity.

Ho3: There is no significant relationship between shared mission and market share.

Involvement

Involvement refers to the level of participation by members in an organization’s decision-making process. It also refers to the sense of responsibility and commitment thereby engendered (Denison, 2007). Involvement entails building human capacity, ownership and responsibility. It is very necessary as it leads to united vision, values and purpose. Employee Involvement is also called participative management and it refers to the degree to which employees share information, knowledge, rewards, and power throughout the organization (Randolph, 2000). McShane and Von Glinow (2006) argue that when there is Involvement, employees have some level of authority in making decisions that were not previously within their mandate. They stated that employee Involvement extends beyond controlling resources for one’s own job; it includes the power to influence decisions in the work unit and
organization. The higher the level of Involvement, the more power people tend to have over the decision, process and outcomes. Employee participation has become an important part of corporate decision-making because it is an integral component of knowledge management (McShane and Von Glinow, 2006). This implies that corporate leaders are realizing that employee knowledge is a critical resource for competitive advantage and as such, they are encouraging employees to share this knowledge. Different forms of employee Involvement exist in organizations. Formal participation occurs in organizations that have established structures and formal expectations that support this form of participation. Informal participation occurs where casual or undocumented activities take place at management discretion. Employee involvement can also be voluntary or statutory. It is voluntary when employees participate without any force or law. It is statutory when government legislate its activities (e.g. Codetermination which varies from country to country). Employee participation can also be direct or indirect. Direct participation occurs when employees personally influence the decision process. Representative participation occurs when employees are represented by peers (e.g. work council in the European Codetermination system) (McShane and Von Glinow, 2006).

Different levels of employee involvement exist. Levels of employee involvement reflect both the degree of power over the decision and the number of decision steps over which employees can apply that power (Ford and Fottler, 1995). The lowest level of involvement is selective consultation, in which employees are individually asked for specific information or opinions about one or two aspects of the decision. They do not necessarily recommend solutions and might not even know details of the problem for which their information will be used. A moderate level of employee involvement entails when employees are more fully consulted either individually or in group. They are told about the problem and offer their diagnosis and recommendations, but the final decision is still beyond their control. Employees reduce cost through recommendations to senior executives (Rossler and Koelling, 1993). The highest level of involvement occurs when employees have complete power over the decision process. They discover and define problems, identify solutions, choose best option, and monitor the result of their decision (McShane and Von Glinow, 2006). Organizational cultures that are characterized as “highly involved” rely on informal, voluntary and implied control systems, rather than formal, explicit, bureaucratic control systems. Denison (2007) identified three indices of the involvement trait as empowerment, team orientation, and capacity development. From the foregoing, the working definition of employee involvement is the extent of employee participation in decision making and implementation in the banks studied. It refers to the employees’ level of sense of ownership and responsibility to the banks they work in. It includes the level of empowerment, team orientation and capacity building found in the banks studied. From the foregoing the following hypotheses were derived.

\[ H_0: \text{There is no significant relationship between involvement and profitability.} \]

\[ H_{10}: \text{There is no significant relationship between involvement and productivity.} \]

\[ H_{op}: \text{There is no significant relationship between involvement and market share.} \]

Share Values (Consistency)

Shared values refer to beliefs, values and expectations, which members of an organization hold consensually. The values and systems form the basis of a strong culture (Denison, 1990). It also provides the central source of integration, coordination and control. This implies that organizations that have shared values develop a mindset and a set of organizational systems that create an internal system of governance based on consensual support. Such organizations tend to have highly committed employees, key central values, a distinct method of doing business, a tendency to promote from within, and a clear set of dos and don’ts (Denison, 2007). Implicit control systems based on internalized values can be a more effective means of achieving coordination and integration than external-control systems that rely on explicit rules and regulations. The power of this method tends to be particularly apparent when organizational members encounter unfamiliar situations. It enables individuals to better react in a predictable way to an unpredictable environment by emphasizing a few general, value-based principles on which actions can be grounded. Values represent stable, long lasting beliefs about what is important in a variety of situations (McShane and Von Glinow, 2006).

Anita Roddick, founder of the body shop stated, “Ninety-nine percent of what we say is about values” (Schubert, 2000). They also influence our perception, cloud our objectivity and rationality (Robbins and Judge, 2011). Values tend to generally influence attitudes and behaviours. Cultural values represent the dominant prescriptions of a society; usually influenced by religious, philosophical, and political ideologies (McShane and Von Glinow, 2006). Our personal values include cultural values as well as other values socialized by parents, friends, and personal life events. Organizational values are values that are widely and deeply shared by people within the
Values dictate our priorities, our preferences and actions. Basic values are at the heart of what influences employee’s drives, motivation and behaviour (Kleiman, 2001). When the peoples’ values align with organizational values, they tend to be motivated and exhibit behaviours that enable the organization to succeed. The Warehouse was rated the second best performing small-cap Company in the Asia-pacific region by the Wall Street Journal in 2000. Doebele (2001) in the Forbes Magazine rated it as one of the best in the world. Stephen Tindall, the founder gave the main reason for his organization’s success as its “people first” values. He stated that the organization’s policies of putting employees’ first made them put the customers first and to provide exceptional service to them (McShane and Von Glinow, 2006). Employees whose values are consistent with the organization’s values are easier to manage. Shared Values tend to represent the unseen magnet that pulls employees in the same direction. Shared Values foster a common bond and help ensure that organization members pull in the same direction, irrespective of their tasks and ranks (Begley, 2000). Ethical values enable the organization leaders to determine the right thing to do. Ethical behaviour is driven by the moral principles we use to make decisions, which are essentially fundamental values. Generally, values and ethics represent an important part of organizational life as they guide decisions and actions and also influence emotions and attitudes. Values represent what we want and also state socially desirable ways to achieving those needs.

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- \( \text{H}_0_{10} \): There is no significant relationship between shared values and profitability.
- \( \text{H}_0_{11} \): There is no significant relationship between shared values and productivity.
- \( \text{H}_0_{12} \): There is no significant relationship between shared values and market share.

**Research Methodology**

This correlational study was conducted as a cross-sectional survey. The study units for data generation were managers in the banks and the micro-level of analysis was adopted. The population of the study was 13, 339 managers of all the 20 banks in Nigeria and the sample size of 388 managers was determined using the Yaro Yamen’s formula (Baridam, 2001). After cleaning, 320 copies of the instrument were used for the analysis. In selecting the respondents the simple random sampling technique was adopted. The independent variable, corporate culture was measured by adaptability, mission, involvement, and shared values. A thirteen-item adaptability scale, nine-item mission scale, seven-item involvement scale and thirteen-item shared value scale based on Survey of Organizations questionnaire was used. The dependent variable, organizational effectiveness was measured by profitability, productivity and market share. A five-item profitability scale, two-item productivity scale and a seven-item market share scale was developed for the study. They all used a 5-point Likert scale- (ranging from 1-strongly disagree to 5-strongly agree). Spearman’s Rank Correlation Statistical tool was used to test the hypotheses. For test of reliability of the scale, the following Cronbach’s alpha coefficients were obtained: Adaptability (0.73), Mission (0.70), involvement (0.73) and Consistency (0.79), Profitability (0.72), Productivity (0.76), and Market share (0.73). In accordance with Nunnaly (1978) model, which recommends a bench mark of 0.70, the reliability levels of the study scale are acceptable. The results as presented here under were obtained.
Research Results and Findings

Hypothesis One: Relationship between Adaptability and Profitability - The result (Rho = 0.177 p < 0.05) (see Table 1) shows that there is a significant positive relationship between adaptability and profitability. This means that an organization’s ability to respond to change positively influences its profitability. Increase in adaptability is associated with increase in profitability.

Hypothesis Two: Relationship between Adaptability and Productivity - The result (Rho = -0.028 p > 0.05) (see Table 1) show that there is no statistically significant relationship between adaptability and productivity. This implies that an organization’s ability to respond to change is not significantly related to its productivity.

Hypothesis Three: Relationship between Adaptability and Market Share - The result (Rho = 0.357, P < 0.05) (see Table 1) shows that there is a significant positive relationship between adaptability and market share. In other words, increase in adaptability is associated with increase in market share.

Hypothesis Four: Relationship between Shared Mission and Profitability - The result (Rho = 0.236 P < 0.05) (see Table 1) shows that there is a positive significant relationship between shared mission and profitability. This means that profitability will increase with increase in shared mission among the employees.

Hypothesis Five: Relationship between Shared Mission Productivity - The result (Rho = 0.145 P < 0.05) (see Table 1) shows that there is a positive relationship between shared mission and productivity and the relationship is significant.

Hypothesis Six: Relationship between Shared Mission and Market Share - The result (Rho = 0.147 P < 0.05) (see Table 1) shows that there is a significant positive relationship between shared mission and market share. This means that an increase in shared mission is positively associated with increase in market share.

Hypothesis Seven: Relationship between Employee Involvement and Profitability - The result (Rho = 0.535 P < 0.05) (see Table 1) shows that there is a significant positive relationship between employee involvement and profitability. In other words, increase in employee involvement is associated with increase in profitability.

Hypothesis Eight: Relationship between Employee Involvement and Productivity - The result (Rho = 0.146 P < 0.05) (see Table 1) shows that there is a positive relationship between employee involvement and productivity. In other words, increase in employee involvement is associated with increase in productivity.

Hypothesis Nine: Relationship between Employee Involvement and Market Share - The result (Rho = 0.276 P ≤ 0.05) (see Table 1) shows that there is a significant positive relationship between employee involvement and market share. This means that increase in employee involvement is associated with increase in market share.

Hypothesis Ten: Relationship between Shared Values (Consistency) and Profitability - The result (Rho = 0.575 P ≤ 0.05) (see Table 1) shows that there is a significant positive relationship between consistency and profitability. This implies that increase in consistency is associated with increase in profitability.

Hypothesis Eleven: Relationship between Shared Values (Consistency) and Productivity - The result (Rho = 0.524 P ≤ 0.05) (see Table 1) shows that there is significant positive relationship between shared values (consistency) and productivity. This means that increase in consistency is associated with increase in productivity.

Hypothesis Twelve: Relationship between Shared Values (Consistency) and Market Share - The result (Rho = 0.379 P ≤ 0.05) (see Table 1) shows that there is a significant positive relationship between shared values (consistency) and market share. This means that increase in consistency is associated with increase in market share.

Discussion of findings

The discussion of the findings will be done in relation to the hypotheses tested.

15 Adaptability: Profitability, Productivity, and Market Share

In hypothesis one, adaptability which is the ability of the organization to respond to change was found to be positively related to profitability. In other words, increase in organization’s adaptability is significantly associated with increase in its profitability. Several reasons may account for this significant positive relationship. To begin with, managers tend to look for ways to change their business to improve profitability as it is often used to evaluate their performance. To survive and make profit, organizations adapt continuously to different levels of environmental uncertainty (Daft, 2003). Supporting this view Denison (1990) also stated that, “without the ability to implement adaptive response, an organization cannot be effective”. Lastly, the desire to be ahead of others in profit and customer satisfaction makes banks in Nigeria to constantly engage in innovative activities and implement adaptive responses.

In reference to hypothesis two, there is negative but not significant relationship between adaptability and productivity. This implies that adaptability is not associated with productivity. Adaptability and productivity are two
important concepts organizations must take seriously. However, they do not depend on one another. Organizations must adapt to survive and make profits. Several reasons may account for this no significant relationship. While adapting to changes in the environment, organizations also need to be efficient. Adaptation to in the environment does not account for the efficient use of resources. Absence of definite steps to ensure the efficient use of resources can lead to low productivity even when the organization is adapting to changes in the environment. Speed and time are important resources, organizations must seek to maximize speed and minimize time. Organization and coherence of production processes can lead to important differences in competences; across firms (Garvin, 1998). The cost of adaptation must not outweigh the benefits. The result suggests that in addition to being adaptive, organizations must take definite steps to be productive. Therefore to achieve high productivity banks must take definite steps to ensure that speed is increased in the service of their customers and waiting time is minimized. However, achieving productivity in Nigerian organizations is a major challenge because of the existing environmental factors like power, repair facilities, availability of spare parts and skilled technicians (Nwachukwu 2002).

Concerning hypothesis three, adaptability is significantly and positively related to market share. This means that the ability of an organization to respond to change is associated with increase in its market share. Denison and Mishra (1995) reported significant correlation between adaptability with sales growth. This is in line with our findings, that adaptability is positively and significantly related to market share. The literature review of the present study suggested a positive relationship between adaptability and market share (Denison and Mishra, 1995; McShane and Von Glinow 2006). Market share increase or decrease is related to the happenings in the environment, this could be the reason why it is closely associated with adaptability that has to do with how well organizations respond to changes in the environment. The finding suggests that organizations that respond to customers’ changing needs will get more customers than those that are indifferent to their customers changing needs. Efforts made by banks to satisfy their customer, which is the provision of innovative and customer-focused products and services tend to lead to increased market share. As the needs of customers are changing, banks also change their strategies to ensure their satisfaction. This ensures consistent increase in market share. In the words of one respondent “we are at the forefront of product development, proactively focusing on products and services for our existing and prospective customers with financial solutions that would meet and surpass their expectation”. Such services could lead to increased market share.

16 Shared Mission: Profitability, Productivity, and Market Share

In relation to hypothesis four, there is significant positive relationship between shared mission and profitability. This finding confirms an earlier report of Denison and Mishra (1995) that mission is correlated with return on investment. Several reasons may account for this significant relationship. Mission has a powerful impact on organizations (Calfee, 1993). Being able to internalize and identify with an organization mission contributes to both short and long-term commitment to the organization (Denison, 1990). Goals give a sense of direction to organizational members. Success is more likely when individuals and organizations are goal directed. Clear vision of organization purpose reflects a high level of competitiveness and profit-making orientation (Daft 2003). One respondent interviewed says he is clear about what he is expected to do and that makes his job easier. Goals provide a standard for assessment. The level of organization performance, whether in terms of profits, units produced, or number of complaints, needs a basis for evaluation. Success is more likely when employees are committed to the achievement of the bank goals. Most banks ensure their employees know their mission and know what to do to contribute their quota to the success of the organization. This could lead to increased profits and reduced number of complaints from customers. People tend to work towards the achievement of a mission they share in. Banks have vision to be at the top in Nigeria and Africa and to be among the best in the world. They also have mission to satisfy their customers and shareholders. This vision and mission propel employees and management to work hard and this result in effectiveness. Thus appropriate corporate culture promotes organizational effectiveness.

In hypothesis five, there is significant positive relationship between shared mission and productivity. This implies that increase in shared mission is associated with increase in productivity. This finding supports an earlier report by Denison and Mishra (1995) that shared mission is significantly correlated with productivity. Several reasons may account for this significant relationship. Mission provides purpose and clear direction for the organization members. Operative goals provide employee direction, decision guidelines, and criteria of performance (Daft, 2003). Goals provide organization members a standard for assessment. Mission fosters cooperation and unity among departments and cooperative workforce tends to be more productive than one saddled with conflict. Denison (1990) argued that this process of internalization and identification contributes to short and long-term commitment
and leads to effective performance. It is possible for employees that are goals directed to use resources efficiently and effectively, minimize waste in the organization. Goals tend to motivate employees to be more productive. When employees are aware of the organization’s goals, they tend to be committed towards the achievement of such goals.

Result on hypothesis six shows there is significant positive relationship between shared mission and market share. This implies that increase in shared mission is associated with increase in market share. Studies show that shared mission is positively related to increase in market share (Denison, 1990). There are several reasons for this significant relationship. Organization’s mission defines its business operations. If the mission includes the need to increase its market share, then all employees tend to work towards the achievement of that goal. The more employees share in the mission of the organization the more they will be involved in activities that will enable the organization to achieve those missions. Thus organizations where the mission is shared amongst all employees will tend to have more customers than those in which only few understand the mission. Most banks in Nigeria have increase in market share as part of their goals; this has made them embark on all forms of promotion and marketing to achieve just that. Some people are employed to market the organization and its various products. Such people are promoted based on the deposits they have brought to the bank. Banks use a lot of target setting, which is related to goals and mission, and this has also influenced the increase in their market share. It is therefore correct, as the study has proven that mission is positively related to market share. In the banks employees tend to know what is expected of them as regards the achievement of the organization’s overall mission. Most banks tend to have goals and objectives that are both clear and reasonable.

Employee Involvement: Profitability, Productivity, and Market Share

In relation to hypothesis seven, there is significant positive relationship between involvement and profitability. This implies that increase in employee involvement is associated with increase in profitability. Our finding supports earlier reports by Denison (1984) and Denison and Mishra (1995) that involvement is significantly correlated with return on assets. There are several reasons why employee involvement is related to profitability. Organizations that have participative corporate cultures and well-organized workplaces have better performance records than those that do not have (Denison 1984). Receiving input from organization members tend to increase the quality of decision and improve their implementation. Profitability goals set by organizations are easily achieved when employees are involved in decision-making. Involvement empowers, and empowerment increases motivation. Superior performance capabilities are created by employee empowerment. Organizations in which employees are involved in decision-making will achieve their goals better than those that do not involve employees in decision-making. Banks that set unattainable targets without inputs from their employees have witnessed lots of resignations. A respondent in one of the banks said he was leaving his present bank for another because of an unrealistic target they had set for him.

Result on hypothesis eight shows there is significant positive relationship between employee involvement and productivity. Studies have shown that employee involvement is positively related to productivity (Rossler and Koelling, 1993). There are several possible explanations for this significant relationship. Employees reduce cost through recommendations to senior executives and this result in higher productivity. Involvement creates a sense of ownership and responsibility amongst employees and this motivates them to be more productive. Involvement increases commitment to the organization amongst employees. Committed employees are more productive than uncommitted employees. Empowerment enhances creativity in employees and this could lead to increased productivity. The finding suggests that organizations in which employees are involved will be more productive than those in which they are not involved. Banks in Nigeria need to involve employees as much as possible to improve both the organizational processes and the individuals themselves. Denison (1990) stated that effective organizations require a high level of involvement. Our finding that employee involvement is positively related to productivity is also supported by Kelleher (1995) in (McShane and Von Glinow 2006) who stated that the strength of Southwest comes not from products or services but from a unique culture and management philosophy that emphasizes employee involvement and empowerment. A respondent in one of the bank says the power given to him has made him to be more committed to his bank. Based on the results one can say that involvement and productivity are positively related.

Result on hypothesis nine shows there is significant positive relationship between employee involvement and market share. The finding suggests that organizations with increased employee involvement will have increase in their market share than those that do not involve employees. This finding supports and earlier report by Denison and Mishra (1995) that involvement is significantly correlated with sales growth. Supporting this finding Likert (1961) states "an organization will function best when its employees performs as members of a cohesive and effective work
by Denison and Mishra (1995) that consistency is significantly correlated with profitability. Several reasons may account for this significant positive relationship. Sales growth decisions in which employees are involved will be better implemented. Empowered employees are highly motivated for task accomplishment because people improve their own effectiveness, choosing how to do the task and using their creativity. Involvement means empowerment and this involves the giving of rewards. Banks, where employees are rewarded for their effort towards the increase in market share tends to have more customers. In Nigeria money motivates a lot, and employees in the banks are not an exception. Thus increase in employee involvement is associated with increase in market share.

17 Consistency (Shared values): Profitability, Productivity and Market Share

Result on hypothesis ten shows that there is significant positive relationship between shared values (consistency) and profitability. In other words consistency is associated with profitability. This finding supports an earlier report by Denison and Mishra (1995) that consistency is significantly correlated with profitability. Several reasons may account for this significant relationship. Implicit control system based on internalized values tend to be more effective means of achieving coordination and integration, which are necessary for increased profitability. Integration results in commitment amongst employees, and organizations with committed employees are more profitable than those without committed employees. Values represent unseen magnet that pulls employees in the same direction, and when these align with organizational values, organizations succeed. The banks have committed employees, key central values, distinct method of doing business and a clear set of dos and don'ts. They have a tendency to promote from within but also employ from outside. The high level of consistency found in the banks stems from strong underlying values that stress thoroughness, objectivity and the efficiencies associated with service. The finding suggests that banks where employees have shared values will be more profitable than those in which employees do not have such shared values.

Results on hypothesis eleven show that there is significant positive relationship between consistency and productivity. This finding supports the report by Denison and Mishra (1995) that consistency is significantly correlated with productivity. The literature review in this present study suggested a positive relationship between consistency and productivity (Denison 1990; Denison and Mishra, 1995). There are several reasons that can account for this significant positive relationship. Consistency provides the central sources of integration, coordination and control. Coordination and integration enables different functions and units of the organization to work together well to achieve common goals including minimization of wastes and efficient use of resources. Organizational values that put people first could enable employees put customers first and provide exceptional services to them. Value for employees makes them more efficient and effective. Productivity increase when employees are more efficient and effective. The finding implies that organization with shared values will be more productive than those without shared values. The direction and control necessary to manage the rapidly growing banks tend to come from shared vision and shared values rather than a system of administrative oversight.

Result on hypothesis twelve also shows that there is significant positive relationship between consistency and market share. This means that increase in shared values (consistency) is associated with increase in market share. This finding also supports the report of Denison and Mishra (1995) that consistency is significantly correlated with market share (sales growth). Gordon and DiTomaso (1992) also reported that shared values were related to growth in premiums and assets among insurance companies studied. Several reasons account for this significant relationship. Due to the high rate of competition in the banking industry in Nigeria, most banks tend to have high value for their customers, employees and stockholders and this has led to increase in their market shares. As in the words of one of our respondents in one of the banks “Members of my bank have a sense of identity and a clear set of expectations that makes us work hard towards the achievement of organizational goals”. The goals include growth and increase in market share. The finding suggests that banks with shared values amongst its employees will have greater market share than those without shared values.

Conclusion and Recommendations

The findings of this research imply that one of the most important contributions a manager or executive can make is the culture they create. People act because of internalized values, not because of external control. This frees the managers from some of the demands of constant oversight and administrative control of their organizations. This freedom enables the manager to concentrate on the most important leadership task of all: “planning what happens next”. Managing culture requires a significant portfolio of skills in the four concepts of the model – adaptability,
mission, involvement and consistency. Organizations with strong adaptive cultures where employees share a larger vision for their company are more likely to have united, cooperative workforce which promote profitability, productivity and increased market share. Organizations with “intelligence” system that is not only open to new ideas but also actively seeks out sources of competitive advantage and quickly and successfully incorporates them into their own repertoire maintain competitive advantage than others. Success is more likely when individuals and organizations are goal directed. Having strong mission changes behaviour by forcing people to monitor their current behaviour against a preferred future state. Shared mission increases employees’ commitment towards the achievement of organization’s goals. Employee involvement creates a sense of ownership and responsibility towards the organization. Employees are more committed to a decision or course when they are involved in the decision-making process. Involved and committed employees work hard to ensure the achievement of organizational goals (i.e. increased profitability, productivity and market share). Shared values (consistency) provide the central source of integration, coordination and control. Consistent organizations have highly committed employees and are more profitable, productive and have large share of the market.

We therefore recommend that managers should build a culture as an explicit role with a set of objectives, as it is a consensual system of regulation that reaches far beyond any system of bureaucratic or administrative control. Organizations should adapt successfully and also attend to the organizational learning that occurs during adaptation and incorporate it into their culture. Continuous adaptation is necessary for profitability and increase in market share. In addition to being adaptive, organizations should draw up plans to be productive (in terms of minimizing their costs and wages). Organizations and their members need to be goal directed to be successful. Management should let their employees share in the organization mission so that they can effectively contribute to the achievement of the mission. Employees should be involved in decision-making, as it will make them to be committed to the achievement of the decisions taken. Organization’s values should be shared amongst employees as it will enable them to act in the interest of the organization at all times. Socialization of new employees should be encouraged, as it is a powerful tool in managing consistency. New bases for consistency need to be reformulated in response to variety in the organization’s environment to enable the organization adapt to environmental turbulence. Adaptive culture that is consistent and responsive to individual involvement that encourages shared mission will be most effective.

References


Table 1: Spearman’s Rank Correlation Analysis of the Relationship between Corporate Culture and Organizational Effectiveness.

<table>
<thead>
<tr>
<th></th>
<th>Adaptability</th>
<th>Mission</th>
<th>Involvement</th>
<th>Consistency</th>
<th>Profitability</th>
<th>Productivity</th>
<th>Market share</th>
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</thead>
<tbody>
<tr>
<td>Adaptability</td>
<td>Correlation coefficient</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission</td>
<td>Correlation coefficient</td>
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<td>1.000</td>
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<tr>
<td>Involvement</td>
<td>Correlation coefficient</td>
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<td><strong>.444</strong></td>
<td>1.000</td>
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</tr>
<tr>
<td>Consistency</td>
<td>Correlation coefficient</td>
<td>* .214</td>
<td><strong>.433</strong></td>
<td><strong>.505</strong></td>
<td><strong>1.000</strong></td>
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<td></td>
</tr>
<tr>
<td>Profitability</td>
<td>Correlation coefficient</td>
<td><strong>.177</strong></td>
<td><strong>.236</strong></td>
<td><strong>.535</strong></td>
<td><strong>.575</strong></td>
<td><strong>1.000</strong></td>
<td></td>
</tr>
<tr>
<td>Productivity</td>
<td>Correlation coefficient</td>
<td>-.028</td>
<td>* .235</td>
<td>* .146</td>
<td>* .524</td>
<td>* .426</td>
<td><strong>1.000</strong></td>
</tr>
<tr>
<td>Market share</td>
<td>Correlation coefficient</td>
<td><strong>.357</strong></td>
<td>* .147</td>
<td>**.276</td>
<td>**.379</td>
<td>**.284</td>
<td>**.389</td>
</tr>
</tbody>
</table>

Source: Research Data

N = 320  
* = Correlation significant at 0.05 level (2-tailed)  
** = Correlation significant at 0.01 level (2-tailed)