EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE IN NIGERIAN TELECOMMUNICATION SECTOR

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Abstract

The primary objective of this paper is to determine the impact of organizational culture on the employees' performance in the telecommunication sector in Nigeria. Researchers applied and adopt previously used questionnaires for the purpose. Both independent variable organizational culture and dependent variable employee performance is divided to their sub-elements to measure them in targeted organizations. As this topic has not been discussed methodically in the context of Nigeria, therefore, it is perceived vital to conduct such a research and encourage the selected sector for improvement through recommendation. The target population of this research is employees in the telecommunication sector which are about 2000 workforces. This study includes 211 employees of various telecommunication companies in Nigeria which are selected randomly. To achieve the abovementioned objective, the regression model is used for analyzing the data and finding the relationships among the variables. Findings show the existence of the relationships and influences of organizational culture on the employee performance as whole. However, the extent of this impact is varying based on different sub-elements of organizational culture. Namely, change management, goal achievement, and others.

Keywords: Organizational Culture, Employee Performance, Change Management, Telecommunication, Nigeria.

Introduction

The organization culture is the set of norms, values and beliefs according to which the employee should behave in a company. It is actually how things are practiced in a corporation and is the important factor for organizational success and growth. The purpose and objective of organization culture are both employee satisfaction and organization productivity. As organization culture represents an independent variable, which is affecting many other variables either positively or negatively in a firm. Therefore, organizational culture influences some specific variables such as productivity, absenteeism, turnover, organization citizenship and job satisfaction.

Several researches have been taken place on this topic in many sectors and countries including western countries. However, in the case of Nigeria, research contribution in that specific area is little. Hence, this paper will shed further light and pave the way for other researchers to extend and explore it more into dept.

The economy system was preferred as market economy through which large scale privatization has taken place. More than 100 billion US dollars are infused to this country to enhance Nigeria's economy. Due to these foreign aid infusions and reforms by the new government, almost all sectors, including businesses, health and education sector grew with varying degrees. In this era, many private companies commenced such as private schools, private higher education institutions, television and radio channels, hospitals and telecommunication. This country secured the first rank in the "doing business" index by bringing about changes in business procedures and transparency. The telecommunication sector is among the very successful industries in Nigeria, Glo, MTN, Etisalat (now 9mobile), and Airtel are renowned telecommunication service providers in Nigeria.

This paper tries finding out the effect of organizational culture on employee performance in telecommunication industry. The size of the population is the 2000 and the selection of the employee takes randomly which includes 211 employees from various management levels. The target population is from the private telecommunication companies Namely, Glo, MTN, Etisalat (now 9mobile) and Airtel.

To achieve the aims of this research, the authors use regression model for predictions and estimations. Additionally, the relationship between the elements of organizational culture and job performance will be also evaluated. The research is thoroughly hypothesized and will be tested for the results. Computer software SPSS, Stata, and Microsoft Excel will be used for the analyzing the data.

Statement of the problem

Nigeria has been struggling for its development in both public and private sectors. The private sector has its own advancement in various aspects of business activities. However, due to a number of issues in organizations, the performances are not according to standards and the best practices in the industries in similar developing countries. Based on our pre-research communication with the employees of the telecommunication sector, the companies possessed several problems related organizational culture. A number of problems included but not limited to the lack of teamwork and co-worker support.

Our research team strives to figure out the relationship between organizational culture and employee performance in telecommunication industry in Nigeria. The organizational culture and employee performance are divided to their components based on the literature which will be discussed in the methodology section of this research.

Literature Review

Organizational culture has various definitions. Every researcher and scholar possesses their own understanding of this term. Researchers in various disciplines like Sociology, Anthropology, Organizational Behavior, Business Communication and Management Sciences have defined organizational culture. Based on Cambridge dictionary, culture represents the lifestyle, specifically the typical customs and philosophies, of a certain group of individuals at a specific period. Robbins (2000) defines organizational culture as a system of common meaning apprehended by employees which differentiate one company from another. A researcher defines it as a behaviour or collaboration of people within a firm (Needle, 2004).

According to Titiev (1959), the learning process taken from organized part of possession developed the idea of culture. Administrative Science Quarterly (Pettigrew, 1979) defines the organizational culture as beliefs, a set of philosophies, attitude, approaches, expectations, anticipation, opinions, standards and values. Organization culture comes from the set of assumptions that employees have achieved during the learning process of managing problems (Schein, 1995). The organizations set standards and then the employees' performance is measured accordingly. The performance is indicated to be well, if the assigned task is performed with accordance to standards (Kenney *et.al*, 1992). When an employee puts effort, and consequently achieves organizational objectives at the workplace, this is called performance. (Casico, 2006)

Based on the arguments of Penrose (1995) core and network are considered two key capable organizational paradigms. She states that companies and researchers need to focus on these factors because they form the conduct or behavior of markets along with the impact of free-market rivalry. Therefore, companies which can adjust to their core values and can also acquire the network have the bright future in the existing market. Form this argument it is obvious that the development of organizational culture founded by core values and given theoretical argument establishes a link between the organizational culture and its components with the performance of this company. Recent research perceives that the firms are the node of social groups. Hence, the cultural capabilities and core coherencies can determine the growth process of business as well as performance. In one of his early and well know work (Hofstede, 1980) he compares organizational culture with software of the intellect. Therefore, the organizational culture plays a crucial role in designing the strategy, behaviour, and performance of employees. Organizational culture can remain a focal point when conducting research in a firm.

A study by Wallach (1983) recognizes the dominant features of organizational culture, and it also explains and simplifies the findings of (Hofstede, 1980) concerning the culture. Culture and high financial performance are significantly and strongly linked to each other (Peter & Waterman, 1982). Another study conducted by (Kotter &Heskett, 1992) states that the activities of an individual in culture scenery reproduce the configuration of the learned mind course during the period of their lives which will result in to variations among performers. The socioeconomic value of an organization is effectively related to the coexistence of organizational culture and organizational performance. Schein (2006) highlights that one of the critical factors which gives the company ability to overcome the challenges, adjust managerial procedures and achieve effectiveness is appropriate and solid corporate culture. Organization culture and the employee performance show a significance correlation (Sheridan, 1992).

While it is universally accepted that organizational culture and job performance are interrelated, several scholars (Ogbonna, 1993; Willmott, 1993; and Legge, 1994) (Willmott, 1993) express concerns regarding these associations. Hence, Denison (1990) and Gordon and DiTomaso (1992) confirm the association. However, this study relates the relationship only in a contextual approach and to specific conditions or situations. Additionally, the mentioned researchers state the culture likely enhances performance only if it corresponds with variations of environmental aspects in the framework. Recently, scientific research claims that

cultural characters are not prone to copy and consequently, it can be the foundation of organization sustainability. According to Barney (1986) sustainability is subject to morals, paucity and sustainability of the culture concerned. The common beliefs and values of employees in a company have a strong relationship with culture (Marttin&Terblanche, 2003). According to Magee (2002), the organization culture is fundamentally associated with the employee performance. Therefore, performance is depended on organizational culture. The understanding of the organization of the culture sustainability will encourage the firm to a large extent to improve its performance in the long term (Hellriegel& Slocum, 2007). A number of theoretical models affirm that the companies which develop an effective human resource system by supporting the values, these systems possibly form a constructive influence on individuals' attitudes and comportment. Consequently, it will expedite the performance of the organization (Ferris, *et al.,* 1998).

There is a positive and statistically significant association connecting organizational culture and employee performance (Salehipour&Ahmand, 2018). A recent study titled culture and employee performance, found that the culture has a meaningful impact on personality as well as the commitment of the employee but it does not have a statistical significant influence on the worker performance (Sahertian, Setiawan, &Sunnaryo, 2019). A crucial dimension of organizational culture, namely innovative culture exerts a significant and beneficial influence on the employee performance (Nwakoby, Okoye, &Anugwu, 2019) .Another study conducted by Mohammed and Mohsin (2020) shows the effectiveness of the organizational culture and how the organizational culture helps to achieve management requirements. Moreover, organizational culture also influences the managerial performance and knowledge management in various organizations (Rashid & Bin Yeop, 2020).

Objectives and Research Questions

The core aim of this research is to determine the effect of organizational culture on employees' performance in telecommunication industry in Nigeria. Furthermore, to assess how various elements of organizational culture affect the employee's performance in the industry under study. The research questions are as followings:

➢ Does the organizational culture influence the employees' performance?
➢ What is the influence of various elements of organizational culture on employee performance?

Research Method

As per literature review the organizational culture and the job performance of employees are divided to their subcomponents for measurement. Researchers adopted the questionnaire from the previous literature. The questionnaire has two main parts. Namely, questions regarding the organizational culture and employee performance. The variables which measure organizational culture are achieving goals, managing change, coordinated teamwork, customer orientation and culture strength (Sashkin&Rosenbach, 1996). Every variable contains six questions. Nevertheless, Job performance elements are job, career, innovation, team organization. Job performance variables have four questions each (Welbourne, Johnson, &Erez, 1997). Organizational culture represents independent variable and job performance is dependent variable.

Sampling

The population used in this research companies are officers and personnel of in the telecommunication sector in Nigeria choose randomly from different industries. The total populations after collection of the required nominal roll of workers in the three departments were 200 workers. But the actual number of staff used from the three departments was 100 staff representing the sample size. The researchers used judgmental sampling after considering the nature of the research. The researcher obtained the list of all the staffs in the sampled department by collection of nominal roll and selects the required respondents based on their year of service those that did not work up to three years were actually not selected.

Data collection

The research method adopted in this research work is the quasi- experimental via the descriptive method of research. This was considered appropriate because of the nature and peculiarity of the subject matter. In addition, it permits an exposition or gives insight into what the effect of culture is and how it intends to hinder employee performance.

Measures

The questionnaire adopted for this study consists of two categories of measurement questions including: classification questions and target questions. The classification questions are less sensitive and are applied at the start of the study in order to act like filters for inclusion or exclusion of respondents and to determine trends within them (Cooper and Schindler, 2011). The questions include socio-demographic variables such as, Position in the organization, duration of work experience with the organization, and educational level. Sensitive questions such as Gender and Legality were avoided due to the multi-cultural nature of the organization. For instance, since the study is domiciled in Nigeria, the cultural values rub off on some organizational employees.

Figure 1 displays the theoretical framework of the research variables. The employee performance is one single dependent variable which has five elements. For the purpose of analysis all questions related to employee performance are aggregated and considered as a single variable. The explanation of elements of employee performance is as follows:

- ➢ Job: it is the activity of employees according to their job description.
- ➢ Career: is about the developing the skills necessary for the progress in the organization.
- ➢ Innovation: is creativity and innovation in jobs of employees as well as the organization.
- ➢ Team: working in a team with team members for succeeding. Organization: doing things which are above the duties of employees for success of an organization.
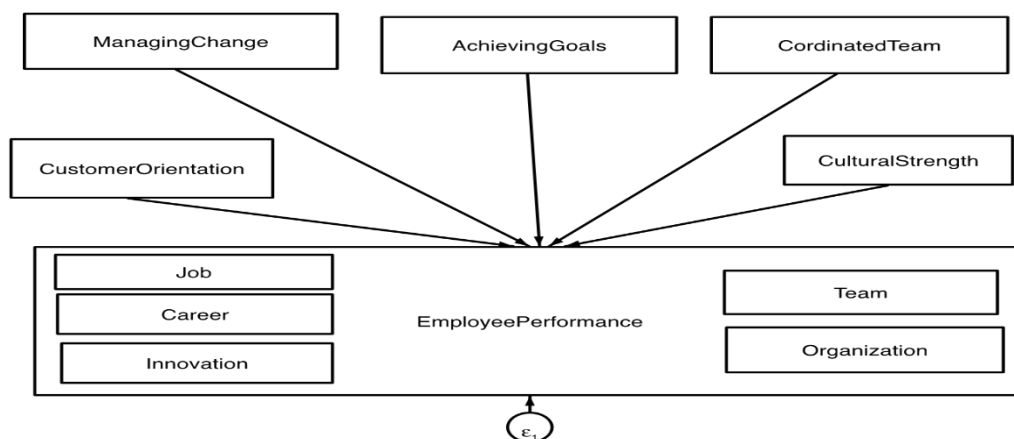
Source: Data output

Figure 1: Conceptual Framework

The research model is as follows:

JP = β₀ + β₁Change + β₂Goal + β₃Team + β₄Orientation + β₅Strength + ε ……….. (1)

The names of independent variables are shortened in the equation. The independent variables are managing change, achieving goals, coordinated teamwork, customer orientation, and culture strength respectively, and the last term is for the statistical error. The target population is 2000 employees form four companies. Researchers use random sampling for selecting 211 employees.

Findings and Discussion

Table 1 demonstrates the descriptive statistics for the age and work experience of the participants. Minimum age is 18 and maximum is 66 years old with a mean of 29.3 years. Additionally, the description of work experience shows 1 year as the minimum experience and 18 years maximum work experience with 6.2 years on average.

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	211	18	66	29.28	6.638
Years of Work	211	1	18	6.21	4.311
Valid N (listwise)	211				

Source: Own data

Table 2 depicts the gender of respondents. From the total respondents, 51 are females and 160 are a male which makes 24.2% and 75.8% respectively.

Table 2: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Female**	51	24.2	24.2	24.2
	Male	160	75.8	75.8	100.0
	Total	211	100.0	100.0	

Source: own data

Table 3 shows the education level of the participants. From the total 211 respondents, 25 employees were baccalaureates, 146 were graduates and 40 others were postgraduates who make the 11.8, 69.2 and 19% of the total participants.

Table 3: Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**12 years**	25	11.8	11.8	11.8
	Graduate	146	69.2	69.2	81.0
	Postgraduate	40	19.0	19.0	100.0
	Total	211	100.0	100.0	

Source: own data

As table 4 shows the research tool questionnaire is thoroughly and statistically reliable because the Cronbach's Alpha value is .958 which is well above the desirable value of 70 %.

Table 4: Reliability Test

Cronbach's Alpha	N of Items
.958	43

Source: own data

All the questions are separately the tested and the average is reported in here. The few questions which were showing lower reliability at the test, were withdrawn from the analysis Table 5 depicts the validity and sampling adequacy tests. As it is apparent from the table, the Kaiser-Meyer-Olkin (KMO) values are .925, and it are above than.70, therefore, the research tool is valid for data collection. At the same time Bartlette's test of sphericity test is also significant and meaningful. These tests are significant at the p value of five percent.

Table 5: Validity and Sampling Adequacy Tests

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.925
Bartlett's Test of Sphericity	Approx. Chi-square	5719.334
	df	903
	Sig.	.000

Source: own data

Table 6 illustrates the statistical model summary. In this table, the value of R is .799. This determines a strong relationship between the dependent variable i.e. employee performance and independent variable which is organizational culture.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799a	.638	.629	.536

Predictors: (Constant), Cultural Strength, Coordinated Team, Managing Change, Customer orientation, Achieving Goals
Source: own data

Besides, the value of R square is .638. R square shows that 64 % of the variance of employee performance in telecommunication industry is explaining by the organizational culture. In the Social Sciences and Psychological studies above 50% is acceptable. Likewise, the adjusted R square value is about 63% which is also above 50%. Adjusted R square shows the variance of employees' performance in industry under study explained by the organizational culture of the same industry if, the data move to either side by one standard deviation.

Lastly, the standard error of the estimates value is 0.5. Standard errors are necessary to calculate. Because it shows how the error free the data is. This, in turn, increases the reliability of the model given that the data are more error free. However, the number 1 which appears under the model shows that this summary is solely of one model. The computer software SPSS can calculate several models simultaneously out of which the researcher can select one. In this analysis, the stepwise option is not selected in the regression model, and the given model is estimated as the best fitted model. Table 7 explains analysis of variances (ANOVA). F statistics and significance level are necessary to calculate. This analysis can confirm the model fit. In other terms, analysis of variance shows the correctness of the model and correctness of the dependent variable explained by predictor variables.

Table 7: ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101.648	5	20.330	70.757	.000b
	Residual	57.751	201	.287		
	Total	159.399	206			

Dependent Variable: Employee Performance Predictors: (Constant), Cultural Strength, Coordinated Team, Managing Change, Customer Orientation, Achieving Goals *Source: own data*

Table 8 shows the coefficients of the variables. Apart from managing change all other independent variable influences the dependent variable which is employee performance. The significance value confirms this impact. The coefficient of achieving goals is .16 and statistically significant at five percent. This means, if the ability of achieving goals improves by one unit the employee performance will increase by .61 units. Coordinated team statistically and positively influences the employee performance. The coefficient of coordinated teams shows, if teamwork is more coordinated by one-unit employee performance improves by .216 which is .22 after rounding it off. Customer orientation produces broader effect on employee performance. One-unit improvement of employees in

terms of customer orientation causes .23 units increase in employees' performance. Finally, the coefficient of cultural strength is .304 which is statistically significant and positive.

Employees' performance will increase by .3 units if culture strength improves by one unit. Coordinated Team, Achieving Goals and Cultural Strength have positive impact on employee performance, and other studies also confirm this (Ben Saad& Abbas, 2018). In the analysis carried out by Ben Saad& Abbas (2018), however, Customer Orientation has a negative value and Managing Change has a positive value. In the present research all independent variables have positive values and Managing Change is not statistically significant. The results are also similar to those of Al-Matari and Omira's (2017) findings of impact of organizational culture on employee performance of in the public sector.

Table 8: Coefficients

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.013	.200		.066	.947
	Managing Change	.049	.070	.043	.694	.488
	Achieving Goals	.161	.063	.167	2.550	.012
	Coordinated Team	.216	.064	.219	3.389	.001
	Customer Orientation	.297	.073	.258	4.045	.000
	Cultural Strength	.304	.066	.269	4.629	.000

Dependent Variable: Employee Performance. *Source: own data*

Conclusion and Recommendations

As the data show all the elements of organizational culture influence the employee performance positively and are statistically significant except in the case of Managing Change. A possible reason for Managing Change, which is not significant, could be the resistance of employees to change. As it is obvious form the descriptive statistics in table 1, the mean years of work experience is 6.21 years. This means that employees are familiar with current activities and do not want to change the procedures and activities easily. Achieving Goals, Coordinated Team, Customer Orientation, and Culture Strength have 16%, 22%, 30% and 30.4% affect employee performance respectively on average. These influences are positive and significant. Managing Change, however, has 5% influences on employee performance which is again positive but not significant.

Therefore, we recommend the telecommunication policy makers and leadership for improving the capability of staffs to realize further objectives and encourage those who contribute to the organizational goal achievement. As the coordination of teamwork was one of the significant factors influencing the employee performance, organizations need to improve and strengthen the team spirit in the employees. Employees should be instructed on how to support the customers and how to be responsive to answer customer queries.

Additionally, organizations under study should engage in efforts for strengthening the organizational culture and better work ethics in company.

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