The Roles of Organizational Culture in Organizational Productivity (A Study of May And Baker Nig. Plc Ota, Ogun State)

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Abstract: “The impediments in the level of productivity of most organizations are ever increasing due to several factors, yet the management is saddled with the responsibility of achieving corporate objectives and goals attainment. Amidst this dilemma, comes the role of a strong organizational culture orientation among employees and managers. Over the years, organizational culture has been described as an embodiment of norms, shared values, beliefs and assumptions; it is therefore fundamental to employees and managers behaviour at work and this in turn influence their level of productivity. Hence, this study seeks to identify the different organizational culture types and their significance in organizational productivity. The respondents included a sample of 212 people drawn from a population of 475. A total number of 152 questionnaires were collected and analysed using the SPSS pearson correlation analysis. Findings revealed that market culture has a significant relationship with effectiveness and this implies that the efforts put in place by organizations in a bid to improve their market share translates into higher productivity levels. This was revealed at r=0.489, sig. level 0.19, p < 0.001 However, findings also revealed that the relationship between hierarchy culture and efficiency is weak and not statistically significant at r=0.328, sig. level 0.005, p < 0.001. This suggests that the hierarchy culture does not facilitate effective productivity among employees. The relationship between clan culture and efficiency revealed that efforts concentrated towards building relationship among employees such as reward for team efforts or success has a positive impact on organizational productivity at level r=0.778, sig. level 0.341, p < 0.001. The researcher recommended openness in communication to managers. Further recommendation includes managers to adequately reward employees for creativity at work especially when productivity is increased through innovation.”

Keywords: Hierarchy culture, Adhocracy culture, Market culture, Clan culture, efficiency, effectiveness.

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I. Introduction

In the world today, the significance of cultural practices in all human endeavour is quite fundamental. As a matter of fact, culture influences people’s perception about life generally. Every organization is affected by its culture and every organization has a culture. “The concept of culture has been conceptualized as a major factor that distinguishes one individual from another as well as one organization from others. Furthermore, it is the pattern of behaviour and artefacts that uniquely differentiates individual. Culture is so unique and stimulating, in that it is a major constituent of organizational growth and development (Alvesson, 2012)”. “Owing to this therefore, culture enables an organization to develop its inner strength to be adequately effective and also for self-sustenance over a long term (Dewitt, 2008)”. “There is no doubt that organizational culture might have been formulated by the pioneers; it may have emerged over the years when the organization battled different challenges; or even been created deliberately by the management (Sinha, 2007)”.

Nonetheless, “organizations are happy about the performance of their workers, especially when the employees have thorough understanding and orientation about the culture of the organization (Gibson, Ivancevich, Donnelly and Konopaske, 2012)”. This therefore means that organizations achieve their objective of increased level of productivity when culture is fully engaged. Denison (1990) asserted that “culture is an embodiment of organizational structure. In light of this, the management’s vital ambition is for the employees to be familiar with the shared values, assumptions, beliefs and norms of the organization”. “It is the duty of the management to elucidate what the organization portrays; this will ensure that employees are properly integrated
within the organizational framework (Blumberg, 2010)”. “In this process of clarification, the employee studies the organizational culture and decides whether to adapt to it or not. This follows that every organization is a knowledge based environment (Blumberg, 2010)”. “According to Neuman (2011) there is a joint relationship between organizational culture and the level of productivity because organizations emphasize on increasing their level of efficiency. This efficiency can be achieved by building a firm culture having the understanding of a group or teamwork, ground-breaking development, duty and consistent dedication in order to understand the objectives of the organization. For instance, productivity is the art of directing the company’s products and/or services to customers at the lowest cost. In like manner, productivity is concerned with quality, the desire of customers and labour relations. This therefore means that the level of productivity in an organization must include but not limited to: products or service quality delivery, satisfying the yearning needs of the customer and the relationship that exist among workers (employees) in an organization. This is a pointer that productivity and decent management are intimate. It has been discovered that productivity is boosted by motivation, and motivation survives in a good climate”. “Flamholtz and Kannan-Narasimhan (2010) said that an organization’s culture bonds everything it ensures and makes. That is, not only does it affect the way managers manage (and consequently shape employee behaviour), but also affects the way in which the organization processes its product and provides services to its customers. Organizational culture has an influence on the insight of a company, be it as a consumer or as an employee”. “Organizations that are solid and effective have a high awareness about their way of life. It is a noteworthy component of organizational enhancement. That is, the procedure through which an organization builds up its ability to be the best it can be in its work and to maintain consistency in so doing. Organizational culture covers the outlooks, encounters, convictions, and beliefs of the organization, obtained through socialization. This controls the way people in the organization communicate with each other and with outsiders. Culture therefore manages the ways employees in an organization cooperate with each other and with outsiders as well(Peters and Waterman, 1982)”. From a socio-structural perspective, culture works on a planning of hidden, conceptual and frankly loaded structures which direct organizations to manage their physical and social needs. “Gibson (2013) identified two major facets of culture, which are strong culture and weak culture. He stated that “strong culture exists, when employees have thorough understanding of the shared core values. The more employees share and accept the core values the stronger the culture is and the more influential it is on behaviour and the more employees do not share and accept the core values the weaker the culture is and the less influential it is on behaviour”. “McShane (2010) also supported the argument of Gibson and went further so say that weak culture occurs when the dominant values are short lived and held mainly by a few people at the top of the organization”.

“The relationship between organizational culture and productivity has been the subject of research fields such as: strategic management, organizational behaviour as well as industrial relations. Hence, the question of whether or not organizational culture increases organizational productivity or not is still worthy of further research, such as the one being undertaken in this study”. Therefore, primary objective of this research is to examine the roles of organizational culture in organizational productivity.

The specific objectives are the following:
i. To determine whether there is a significant relationship between hierarchy culture and efficiency
ii. To determine whether there is a significant relationship between market culture and effectiveness
iii. To determine whether there is a significant relationship between clan culture and efficiency
iv. To determine whether there is a significant relationship between adhocracy culture and effectiveness

II. Literature Review

The Development of Organizational Culture

“Robbins (2010) reiterated that organizational culture has been in existence for a long time. However, the thought of culture came by as soon as researchers discovered that there is a need to elucidate on the procedures of organisational behaviour and levels of determination in cluster that was not discussed earlier”. “Likert (1961) emphasises “the need for a corporate culture of collaboration and proves that there is a substantial organization between employee behaviour and act”. It was, however, not until the late 1970s that the idea of culture commenced to entice clear and continuous interest. During this period, the term was reorganized and re-established obsessed by organisational conduct from two different streams. The first stream was the works of a handful of experts and pragmatic investigators who printed their research work in order to assist managers(Drucker, 1973; Ouchi & Price, 1978; Peters, 1978; Silverzweig & Allen, 1976)”.” “The scholars were of the opinion that if managers and supervisors have a thorough and sound knowledge of the cultural elements that exist within an organization, the strength of their performance will be more effective. Not long after this period, some other categories of scholars who participated in conferences and symposia also revealed the
connection between organizational culture as well as the use of symbols and iconic representations (Dandridge, Mitroff & Joyce, 1980). Mcewan (2001) hypothesized that as an idea, “culture is indivisible from the thought of human environment. In attempt to change the overarching culture inside an organization, one needs to take perception of the applicable societal culture”. "Robbins (2010) then again, contended that an organization ’s culture does not fly out of nowhere and, once it is set up, it doesn't blur away”. An organization ’s current traditions, conventions, and general method for doing things are done to a great extent due to its earlier performance and the level of achievement it has had with these attempts. This leads one to its definitive wellspring of an organization ‘s culture: it originated”.

“Robbins additionally underlined that the originators of an organization majorly affect that organization ’s early culture. They have a dream of what the organization ought to be, and they are unrestrained by past traditions and belief systems. The procedure of culture formation happens in three ways:

First and foremost, originators of culture just contract and keep workers who reason and sense the way they do; Secondly, they influence and mingle these employees to their state of mind and sensitivity; lastly, the originator's own particular conduct goes about as a good example that urges workers to relate to them and subsequently disguise their convictions, qualities, and presumptions. At the point when the organization flourishes, the organizer ’s vision moves toward becoming seen as essential factor of that achievement. Now, the originator ’s whole identities end up plainly installed in the way of life of the organization”. “Robbins (2010) explains that culture is transmitted to employees in a number of forms, the most potent being: stories, rituals, material symbols, and languages”.

Stories
“Robbins (2010) cited the account of the Ford Motor Company. At the point when Henry Ford II was the administrator, he consistently reminded his officials, when they got excessively conceited, that, it’s my name on that building. The message was clear: it was Henry Ford II that managed the organization. Robbins trusted that culture is found out by employees who tune in to different workers or supervisors who relate stories about how prior managers, or even originators of organizations, treated their clients, or how they dealt with precarious circumstances that emerge in the organization. Stories, for example, these flow through numerous organizations, subsequently transmitting the way of life from time to time”.

Rituals
“Rituals are monotonous series of exercises that express and fortify the key values of the Organization, which objectives are more critical, which individuals are essential, and which are superfluous. Certain organizations hold customs as yearly honour functions, in acknowledgment of exceptional services or in acknowledgment of accomplishment of certain objectives set by the organization, e.g. sales targets. These capacities go about as a spark, openly perceiving extraordinary execution. One of the best known corporate ceremonies is Mary Kay Cosmetics yearly honour meeting. Business people are granted with a variety of ostentatious endowments e.g. gold and precious stone pins in view of achievement in accomplishing extraordinary sales performance”.

Material Symbols
“According to Robbins (2010) the plan of business headquarters, the kinds of automobiles top managers given, are all illustrations of material symbols. Others include the size of workplaces, the stylishness of fittings, administrative incentives, and dress attire. The material symbols bear to employees who is significant, the level of fairness anticipated by top management, and the type of conduct that is suitable”.

Language
“Quite a number of organizations including their departments employ the use of language to note members which possess culture or a sub-culture. In the process of knowing the language, members affirm that they are aware of the culture and thereby strive through all means to protect it. Many organizations create special terms to identify equipment, workplaces, core staffs, suppliers, customers or products similar to their business. Fresh workers are aware of jargons so much that after a while they imbibe the language. As soon as this is entrenched in the workers, it forms a basis of culture (Robbins, 2010)”.

“Aswathappa (2013) affirmed that culture is fundamentally understood through learning. This scholar believed that culture revolves round crucial matters that shows that values and assumptions are indicated in the way and manner in which workers take actions in crucial matters. Furthermore, the creativity of culture involves modelling by leaders and this allows members of the group to imbibe their shared values. Organizational culture comes to lime light as a result of communication between the originators prejudice of assumptions and the pioneer workers engaged by the originators who acquire knowledge of based on series of experience”.

“Jones (2011) said that organizational culture grows from the communication of four features. These include: the individual and expert features of persons inside the organization; Second, organizational ethics; Third, the
property rights the organization gives to employees; and Fourth, the construction of the organization. The communication of these features according to Jones gives diverse cultures in diverse organizations and causes variations in culture within a short while. The final cause of organizational culture is the individuals who design the organization”.

**Forms of Organizational culture**

“Kotter and Heskett (1992) describe culture as having two forms which differ in terms of visibility and their resistance to change and at the deeper, less visible level, culture refers to values that are shared by the people in a group and that persist over time even when the group membership changes as a result, these notions about what is important in life can vary greatly from company to company and at this level, culture can be extremely difficult to change, partly because group members are often unaware of the values that bind them together”. Furthermore, they stated that “at the more visible level, culture represents the behaviour patterns or style of an organisation that new employees are automatically encouraged to follow and then culture in this sense is still difficult to change, but not nearly as difficult as the level of basic values”. Each level of culture has a natural tendency to influence the other, as indicated in figure 1.0.

“This may be most obvious in the case of shared values influencing a group’s behaviour, such as its responsiveness to customers. Causality can, however, flow in the opposite direction, with behaviour and practices influencing values”.

“Kotter and Heskett (1992) however still corroborated by saying that “culture is not synonymous with a firm’s strategy or structure, although the terms are sometimes used interchangeably because they play an important part in shaping people’s behaviour and that the beliefs and practices called for in a strategy may, or may not, be compatible with a firm’s culture”.

**Figure 1 – Kotter and Heskett Model**

**Change in organizational culture for future growth:**

“If culture is significant, is it conceivable to achieve culture change? Culture change includes transforming culture from one aspect to another, many at times through culture change programme. Dealing with this cultural change programme necessitates that focus be on different issues. (Pettigrew, 2009) identified and recommended some key factors”:
· generating an open climate for change
· high leadership drive - articulate and unified
· needing a clear and detailed vision from the top
· discrepant act to increase pressure
· use of deviants and heretics

Like the general mantra, “change is constant over time, changing a culture can take between three to six years during which productivity can be seriously affected (Toolpack, 2009)” The organizations which deem it fit to change their way of life eventually enjoy immense benefits. “Waldera (2008) was quite inquisitive in his research and put up this question: “How does an organization move forward with adapting its culture for future growth?” Waldera noted that in order for an organization to change culture for future its growth, such an organization must:
i. Reveal the culture to its members;
ii. Evaluate the culture;
iii. Integrate the new customs and traditions into the organizational processes”

**Measurement of Organizational Productivity**

“Productivity measurement is the quantification of both the output and input resources of a productive system. The intent is to come up with a quantified monitoring index. The goal of productivity measurement is productivity improvement, which involves a combination of increased effectiveness and a better use of available resources. Hence, the following are the metrics for measuring productivity in an organization: Effectiveness and Efficiency”.

**Effectiveness**

“Effectiveness oriented companies are concerned with output, sales, quality, creation of value added, innovation, cost reduction. It measures the degree to which a business achieves its goals or the way outputs interact with the economic and social environment. Usually effectiveness determines the policy objectives of the organization or the degree to which an organization realizes its own goals” (Zhang, 2010). “Meyer and Herscovitch (2001) said that organizational effectiveness is harnessed by organizational commitment; they further said that commitment in the workplace may take various forms, such as relationship between leader and staff, employee’s identification with the organization, involvement in the decision-making process, psychological attachment felt by an individual”. “Shiva and Suar (2010) agreed that superior performance is possible by transforming staff attitudes towards organization from lower to a higher plane of maturity, therefore human capital management should be closely binded with the concepts of the effectiveness”.

“According to Heilman and Kennedy – Philips (2011) organizational effectiveness helps to assess the progress towards mission fulfillment and goal achievement and in order to improve organizational effectiveness management should strive for better communication, interaction, leadership, direction, adaptability and positive environment”. “In 1988, Seiichi Nakajima introduced the concept of Total Productive Maintenance, which has been widely applied in the plants and covered the entire life of the equipment in every department including planning, manufacturing, and maintenance (Fu-Kwun Wang, 2006; Muthiah and Huang, 2006)”.

**Efficiency**

“Efficiency measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs” (Low, 2000). In order to increase the output, Porter’s Total Productive Maintenance system identified the removal of six losses, these are: “reduced yield – from start up to stable production; process defects; reduced speed; idling and minor stoppages; set-up and adjustment; as well as equipment failure. The fewer the inputs used to generate outputs, the greater the efficiency”. “More so, pinprayong and siengthai (2012) asserted that there is a difference between business efficiency and organizational efficiency. Business efficiency reveals the performance of input and output ratio, while organizational efficiency reflects the improvement of internal processes of the organization, such as organizational structure, culture and community and excellent organizational efficiency could improve entities performance in terms of management, productivity, quality and profitability”. “Efficiency is all about resource allocation across alternative uses (Kumar and Gulati, 2010)”.

**III. Methodology And Analysis**

This study adopted the use of descriptive research design. The questionnaire was the main research instrument employed. A total number of 212 questionnaires were administered and 152 were collected and analysed thorough the use of pearson correlation analyses.
**Test of hypotheses:**

**Hypothesis 1:** Significant relationship between hierarchy culture and efficiency

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Instructions and regulations are needed to govern every process of work</th>
<th>My company provides me with a job schedule to ensure I use my time wisely</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIERARCHY CULTURE</td>
<td>Pearson Correlation .328**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Note:** Correlation is significant at the 0.01 level (2-tailed).

“The correlation analysis revealed that there is a weak positive significant relationship between hierarchy culture and efficiency at \( r = .328 \) and significance level of 0.000 where \( p < 0.01 \). Respondents were of the opinion that the management needs to be flexible in their rules as stringent rules and regulations slow down productivity.”

**Hypothesis 2:** Significant relationship between Market culture and Effectiveness

“The above analysis shows that there is a strong positive relationship between market culture and efficiency at \( r = .489 \) on a significance level of .000 and \( p < 0.01 \). Employees affirmed that when they perform their job well, the organization formulate will robust strategies to meet customers’ needs through value added products.”

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Customers interest are never ignored when organization is making decision</th>
<th>My supervisor is always impressed with the results I get when he assigns work to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKET CULTURE</td>
<td>Pearson Correlation .489**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Note:** Correlation is significant at the 0.01 level (2-tailed).

**Hypothesis 3** Significant relationship between Clan culture and efficiency

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Reward for success must be shared equally</th>
<th>I often get my job done properly in good time at the least cost possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLAN CULTURE</td>
<td>Pearson Correlation .778**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Note:** Correlation is significant at the 0.01 level (2-tailed).

“The analysis revealed that there is a very strong significant relationship between clan culture and efficiency at \( r = 0.778 \) and significance level at .000 where \( p < 0.01 \). Employees affirmed that when there is motivation through rewards for work done, they tend to be efficient through time management and minimum cost of production.”
Hypothesis 4 Significant relationship between Adhocracy culture and Effectiveness

| New ideas to work must be applied immediately otherwise they will not be useful when delayed | Pearson Correlation | 1 | .697* |
| My company does a lot to ensure that workload is fair | Pearson Correlation | 1 | .000 |
| N | 152 | 152 |

**. Correlation is significant at the 0.01 level (2-tailed).

“This analysis revealed that there is a very strong positive relationship between Adhocracy culture and efficiency at r=.697* at a significance level of .000 and p <0.01. This implies that respondents acknowledged the fact that their company is considerate in giving work load and this allows room for creative ideas on product development. These ideas must be implemented as soon as possible in order not to get obsolete”.

IV. Conclusions And Recommendations

“This study affirmed the research of Enz (2009) whose research focused on how clan culture influences organizational efficiency asserted that in a clan culture, the criteria of efficiency mostly valued include cohesion, high levels of employee morale and satisfaction through rewards, human resource development, and teamwork. The operational theory that dominates this culture type is that involvement and participation of employees foster empowerment and commitment. Hence, committed and satisfied employees produce effectiveness”.

“This study also corroborates the findings of Chatman (1994) who measured organizational culture based on beliefs and values and claimed that the criteria of efficiency mostly valued in a hierarchy culture are efficiency, timeliness, smooth functioning, and predictability. He said that the dominant operational theory that drives organizational success is that control fosters efficiency (elimination of waste and redundancy) and therefore results in effectiveness. This study has been able to classify organizational culture based on the competing values framework of Quinn and Cameron and the findings revealed that the management needs to pay more attention to the dominant organizational culture type that exist in their organization and furthermore, entrenched this culture orientation into employees and all other workers in the organization”.

“While many organizations will agree that a good organizational culture is paramount to their survival, very few invest the time and attention necessary to create one. The following recommendations are proven to bolster good and strong organizational culture. The researcher therefore recommends that”:

1. “The management of May and Baker plc should embrace openness. One feature of a decent organizational culture is the degree to which the management is open to new ideas. Openness will allow management to attract top talents among the varied groups in an organization. Staff members will feel free to air their views on any issue and also feel a part of the ownership of the organization. A philosophy of “we’ve always done it that way” leaves staff most often than not responding by saying “let them do it let’s see”. This attitude disassociates members of staff from the organization and this will have a negative effect on productivity”.

2. “Secondly, one of the sure ways to bring out the energies in people is to encourage them to be creative. Discouragement sets in when an employee is not properly commended or compensated for creativity and innovation towards work. A number of motivational theories have identified that there are certain factors that a business could introduce that would directly motivate employees to work harder (Motivators”). For instance, how interesting the work is and how much opportunity it gives for extra responsibility, recognition and promotion. It is therefore important that management of May and Baker plc provides the needed opportunity for employees to be creative and at the same time be willing to readily reward such creativity accordingly”.

3. “From the findings of this research, employees are not motivated to be optimally productive due to the nature of hierarchy culture that exist. The management of May and Baker plc should review and formulate procedures that guides performance and enhance productivity at work. This is due to the fact that the rules that govern the organization should encourage the employee’s and other workers to be optimally productive. The problem of lower productivity arises when employees are confined to perform under certain stringent conditions. In other words, bureaucratic orders should not serve as bottlenecks to employees’ productivity”.

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