

**ORGANIZATIONAL CULTURE AND PERFORMANCE: A CASE STUDY
OF KENYA PIPELINE COMPANY**


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**A RESEARCH THESIS SUBMITTED TO THE SCHOOL OF BUSINESS AND
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MAY 2011

DECLARATION

I KANYANYA MWIKALI CATHERINE, declare that this research thesis is my original work and has never been submitted for any academic award. Where the works of others have been cited acknowledgment has been made.

Signature..........

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Date.....18/05/2011.....

APPROVAL

I certify that the work submitted by this candidate was under my supervision. Her work is ready for submission to be evaluated for the award of a Degree in Human Resource Management of Kampala International University.

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Date.....18/05/2011

DEDICATION

I dedicate this piece of work to my parents, Mr. Joseph Kanyanya and Mrs. Jane Kanyanya for their great contribution in my academic career.

ACKNOWLEDGEMENT

This is to express my sincere thanks to my parents Mr. and Mrs. Kanyanya who assisted me during the years of my study at Kampala International University.

My heart felt thanks to my special supervisor, Mr. Wandiba Augustine and all lecturers especially in Kampala International University who spent their time impacting in me the skills and knowledge that will serve as a special shield as I face the outside world.

My special thanks to Martin Kiarie who helped me very much in this research, to my sister Ester Katila and to my friends Mercy Kaburu and Phylis Nyambura for the encouragement and support they gave me through out my course and finally to all my classmates.

ABSTRACT

Organizational culture is an idea in the field of Organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. It has been defined 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.

The study is aimed at investigating the relationship between organizational culture and performance and how the staff responds to stimulus because of their alignment to organizational values and norms. The objectives and hypothesis of the study vigorously focuses on the causes and implications of organizational culture and how it can be used positively to bolster performance in an organization.

The research design used was investigative survey which uses quantitative methods to come up with descriptive inferences and conclusions. The study population was Kenya Pipeline Company and the unit of research study was selected using deliberate or non probability sampling the data was collected by use of questionnaires then analyzed firstly by quantifying the responses depending on similarity and later represented in percentage form.

The findings showed that there are three most preferred forms of organizational culture as compared to the ten forms of culture in the organization. The preferred form of organizational culture was the academy culture with 20%, followed by club culture with 16%, baseball team culture with 13.2%. The findings revealed that organizational culture has a major impact on employee performance. According to Spreitzer, 1995. There has been a great deal of anecdotal

evidence and some empirical evidence regarding the performance effects of organizational culture. culture.

The findings revealed that employees experience many challenges in relation to organizational culture which have hindered their performance. In most cases work challenges as showed in table 3 arise as due to lack of training and development, biased empowering and working conditions

The conclusions are drawn verifying the factors influencing employees' performance in relation to organizational culture at Kenya Pipeline Company. This is done in line with the study objectives which include; establishing the forms of organizational culture, assessing the effects of organizational culture on employee performance and finding out the challenges of organizational culture.

The recommendation for the study is that organizations should design organizational culture policies that are up-to-date and those that are flexible enough to accommodate any new change in the business environment and management should revise the empowerment policy twice a year so as to reduce on the challenges employees are facing due to de-jobbing and restructuring.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the study

The concept of organizational culture was popularized in the early 1980s, its roots can still be traced back to the early human relations view of organizations that originated in the 1940s. Human relations theorists viewed the informal, nonmaterial, interpersonal, and moral bases of cooperation and commitment as perhaps more important than the formal, material, and instrumental controls stressed by the rational system theorists. The human relations perspective drew its inspiration from even earlier anthropological and sociological work on culture associated with groups and societies. (Delaney and Huselid 1996).

Research on the effect of culture on organizational performance and investigations into how organizational cultures are created, maintained, and changed receives greater attention. The main difference is that organizational culture is now viewed less as a natural, organically emergent phenomenon and more as a manipulable and manageable competitive asset. (Schein 1985),

Here, organizational values are beliefs and ideas, about, what kinds of goals members of an organization should pursue and the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develops organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another. (Denison 1990).

In the past, the concept of organizational culture has gained wide acceptance as a way to understand human systems. From an open system perspective, each aspect of organizational culture can be seen as an important environmental condition affecting the system and its subsystem. Increased competition, globalization, mergers, acquisitions, alliances, and various workforce departments have created a greater need for organizational culture. Thus, it has become an important pattern for the organization's development. (Weber 1930).

The contemporary definition of Organizational Culture includes what is valued; the leadership style, the language and symbols, the procedures and routines, and the definitions of success that characterizes an organization. It is a 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. (Robbins S.P)

Organizational culture refers to the general culture within a company or organization, and is often also referred to as corporate culture, though that isn't the best description since a large non-profit organization or charity could also have its own organizational culture even though they are definitely not corporations. Here are some of the many definitions of organizational culture that can be found. (Fred Luthans)

Gareth Morgan has described organizational culture as: "The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities that represents the unique character of an organization, and provides the context for action in it and by it." Beliefs and values are words that will pop up frequently in other definitions, as well. Norms might be described as traditions, structure of authority, or routines. (Rao V.S.P & Narayan P. S)

Basically, organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms, beliefs and behaviors of the organizations members. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, profit making corporation is quite different from that of a hospital or university. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about and what members wear. This is similar to what you can use to get a feeling on someone's personality. (Robbins S.P)

Organizational culture can be looked at as a system. Inputs include feedback from, society, professionals, laws and values on competition or service. The process is based on our assumptions, values, norms and beliefs. Outputs or effects of organizational culture are organizational behaviors, better strategies, improved image, increase in production and improved services. (Delaney and Huselid 1996)

Organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that is difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation is quite different than that of a hospital which is quite different than that of a university. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, what members wear, etc. -- similar to what you can use to get a feeling about someone's personality. (Fred Luthans)

Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. (Denison 1990).

Performance means the manner in which employees functions and operates in the organization to accomplish organizational goals in efficient and effective way. (Rao V.S.P & Narayan P. S)

Performance is the establishment of shared understanding about what is going to be achieved and how is to be continued. (Robbins S.P)

According to Cameron and Quinn (1999), Organizational Culture Center's thirty years of experience in building culture, provides a complete guideline of six critical elements of workplace cultural effectiveness with the power of strategic mapping and the balanced scoreboard. This proven and highly effective leadership concept brings about a direct linkage between the activities and measurements of every associate at every level of the organization with the vision and strategy of the enterprise as a whole. (Rao V.S.P & Narayan P. S)

The Organizational Culture Center with all its services has improved the culture of many organizations and has also proved to be the first choice of many of the organizations. It has brought wisdom and passion to the consulting arena and has been an extremely effective process for many of the corporate company's of America. Thus by availing the services of Organizational Culture Centre you, too, can improve your company's culture. (Delaney and Huselid 1996).

In Kenya Pipeline Company, most employees are not aware of organizational culture practices despite their organizations having well crafted employee empowerment practices. The management has not been sincere in its policy and thus cases of biasness are cited. Management regard organizational culture as necessary printed sheets they must collect in a binder kept in the manager's office and the human resources department. In other words, organizational culture is usually treated as "dead wood" at KPC it's neither revised nor used. Others said they have learnt bit by bit what is expected of them - only upon being reprimanded where some of the employee have learnt of the practices as being used in the organization. (Fred Luthans)

This shows that organizational culture practices at KPC are not well implemented even though they exist. This is because it only favors some of the employees who are aware of such practice in the organization. These findings relate to (Graham 1998), that organization culture entails a feeling of being in control and significantly contributing to an organization's development. And that it can be enhanced by empowering that person to complete tasks and attaining targets independently without constantly referring back to management for permission.

1.2 Statement of the problem

Given a rapidly changing environment and continuing insights into organizational effectiveness, most organizations, are seriously rethinking what they do and how they can best define and accomplish their goals and objectives. Once goals are defined, it is necessary to address the type of culture that is necessary to advance these goals and objectives and ensure the successful implementation of the necessary changes. (Barney, J. B. (1986).

Organizational culture is important because shared beliefs and norms affect employee perceptions, behaviors, and emotional responses to the workplace. For example, culture has been found to influence organizational climate and provide attitudes including work attitudes as well as employee behaviors that contribute to the success or failure of an organization. In order to reduce under performance and turnover in organizations, it is important to identify factors that predict work attitudes like, job satisfaction, organizational commitment and subsequent staff turnover. Thus it becomes vital to examine the potential role of organizational culture and their

effects on performance, hence the need for the study (Allaire & Firsirotu, 1984; Hatch, 1993; Ott, 1989; Schein, 1985,1992),

1.3 Purpose of the study

The purpose of the study is to establish the relationship between organizational culture and performance.

1.4 Objectives

- To establish forms of organizational culture in organizations.
- To establish the effects of organizational culture on performance.
- To identify the challenges that the organization face in implementation of organizational culture.

1.5 Research questions

- What are forms of organizational culture in organizations?
- What are the effects of organizational culture on performance?
- What are the challenges that the organization face in implementation of organizational culture?

1.6 Significance of the study

The study will be helpful as follows:

The result of the study shall be a source of information to both the corporate community and the business organizations fraternity. The study will be aimed at giving recommendations on how to ensure corporate or organizations fully accrue to the benefits of employing a successful and meaningful culture that is satisfactory to both the organization and employees.

The study will give the supervisors of above named organization appropriate practices that will ensure organizational culture is properly crafted and communicated to all stake holders and staff within the organization which will ultimately enhance productivity and stimulate growth.

The study will be a source of reference on how to extend, adopt and tailor the existing culture practices within the organizations reach that are vital for the organizations profitability and survival. The study will also indicate how to internally harmonize organizational culture within multinational companies that seek to embrace the forces of globalization and their effects.

1.7 Scope of the study

1.7.1 Geographical

The research was conducted within Nairobi Province and the organization under study was at Kenya Pipeline Company.

1.7.2 Content

The study focused on the organizational culture and performance.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

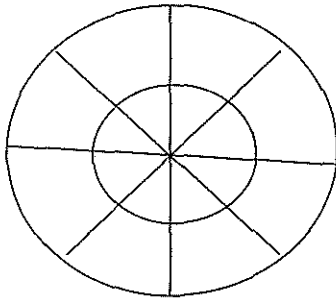
2.0 Introduction

In this chapter, the researcher will focus on theoretical framework, conceptual framework and review literature related to the study.

2.1 Theoretical frame work

The study is guided by Handy classification of organization culture. The formation of culture will depend upon a whole host of factors including company history, ownership, organization structure, technology, critical business incidents and environment. The four cultures he discussed are power, role, task and people. The purpose of the analysis is to assess the degree to which the predominant culture reflects the real needs and constraints of the organization. Handy uses diagrammatic representation to illustrate his ideas: (Deal and Kennedy 1982)

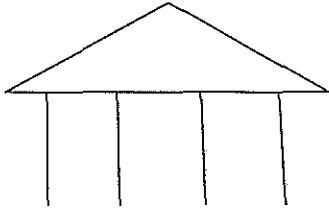
The power culture, (the web).



Handy describes the power culture as 'a web'. He suggests that this reflects the concentration of power of a family owned business which can either be extremely large or small. The family members responsibility given to personalities rather than expertise creates the power structure of the web.

Because power and decision-making is concentrated in so few hands, the strategies and key family members create situations which others have to implement. It is difficult for others outside the 'family network' to influence events.

The role culture, (Greek temple).

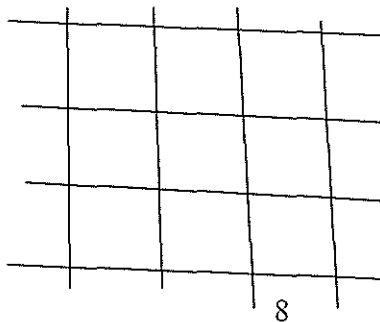


This has been typified as Greek temple and has often been stereotyped as portraying bureaucracy in its purest form. The apex of the temple is where the decision making takes place, the pillars of the temple reflect the functional units of the organization which have to implement the decisions from the apex. The strength of the culture lies in specialization within its pillar. Interaction takes place between the functional specialism by job descriptions, procedures, rules and systems. This is very much an organization culture run by a paper system. An authority is not based on personal initiative but is dictated by job description.

Coordination is by a narrow band of senior staff. This is the only coordination required as the system provides the necessary integration. Handy states that the job description is more important than the skill and abilities of those who people the culture. The performance beyond the role prescription is not required or encouraged.

Handy suggests that this culture is appropriate in organization which is not subject to constant change. The culture functions well in a steady-state environment, but is insecure in times of change. This sort of culture finds it extremely difficult to change rapidly because it is typified by rationality and size. You will experience this culture if you have worked with a large state enterprise.

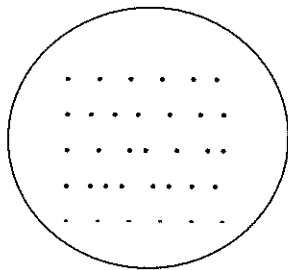
The task culture (lattice)



This is characteristic of organizations which are involved in extensive research and development activities they are much more dynamic. They are constantly subject to change and have to create temporary task teams to meet their future needs. Information and expertise are the skills that are of value here. The culture is represented best by a net or lattice. There is close liaison between departments, functions and specialists, liaison, communication and integration are the means whereby the organization can anticipate and adopt to change quickly.

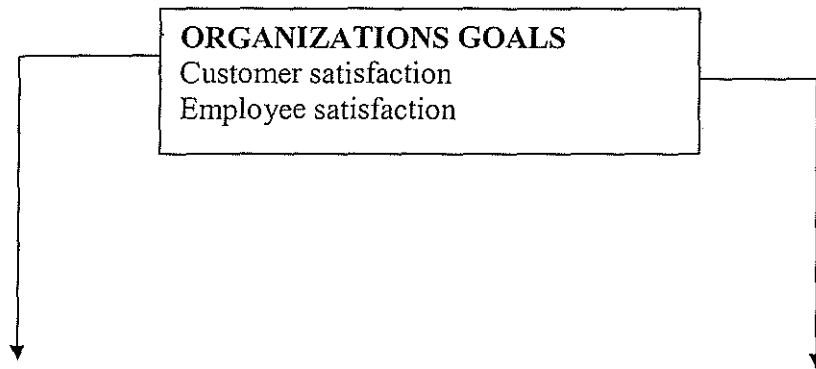
Influence is this team culture is based upon expertise and up-to-date information where the culture is most in tune with result. The dangers for this culture exist when there is a restriction in resources causing it to become more power to role oriented.

The person culture, (cluster)



This is characteristic of the consensus model of management, where the individuals within the structure determine collectively the path which the organization pursues. If there is a formalized structure, organizations which portray this culture reject formal hierarchy for 'getting things done' and exist solely to meet the needs of their members. The rejection of formal 'management control' and 'reporting relationships' suggests that this may be a suitable culture for a self help group or a commune but it is not appropriate for business organizations.

2.2 Conceptual frame work

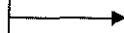


INDEPENDENT VARIABLE

DEPENDENT VARIABLE

ORGANIZATIONAL CULTURE

Assumptions
Values
Norms
Beliefs
Behaviors



EFFECTS ON PERFORMANCE

Improved organization image
Increase in production
Improved services
Customer satisfaction
Focus on what to do and how

Source: primary data (2011)

The conceptual frame work indicates that the role of every organization is to achieve both customer and employee satisfaction. This is achieved by promoting and educating the employees on the positive aspects of the components of organizational culture such as values, norms, beliefs and behaviors and how these components can be exploited to achieve positive outcomes such as improved organization image, increase in production, customer satisfaction and employee satisfaction.

2.3 Related literature

The related literature will be reviewed objective by objective that is by finding the forms, effects and challenges of organization culture on performance.

2.3.1 Forms of organization culture

Following are the main types of organization structures found today according to Denison and Shein (1985).

Normative Culture: In a normative organization, the organization stresses on implementing the organizational procedures in a correct way, and according to the norms and rules defined. This kind of culture is perceived to portray, a high standard of business ethics.

Pragmatic Culture: In contrast to normative cultures, stress is laid on satisfying the wish of their clients. In this no norms are set by the company, and utmost importance is given to the needs of the client.

Academy Culture: In this kind of culture, employees are highly skilled, and the organization provides an environment for the development and honing of employee skills. Examples of this kind of culture are hospitals, universities, large corporations, etc. Employees tend to stay with the organization and grow within it.

Baseball Team Culture: In this kind of culture, the employees are "free agents" and are highly prized. These employees find employment easily in any organization and are very much in demand. There is, however, a considerable amount of risk that is attached to this culture, as it is also fast paced. Examples of this kind of culture are advertising, investment banking, etc.

Club Culture: Usually the employees stay with the organization for a long time and get promoted to a senior post or level. These employees are hand picked, and it is imperative that they possess the specific skills required and desired, by the organization. Examples of this kind of organization are law firms, the military, etc.

Fortress Culture: Employees are not sure if they will be laid off or not by the organization. Very often, this organization undergoes massive changes. Few examples of this type of culture are loans and savings, large car companies, etc.

Tough-Guy Culture or Macho Culture: The most important aspect of this kind of culture is big rewards and quick feedback. This kind of culture is mostly associated with quick financial activities like brokerage and currency trading. It can also be related with activities, like a sports team or branding of an athlete, and also the police team. This kind of culture is considered to carry along, a high amount of stress, and people working within the organization are expected to possess a strong mentality, for survival in the organization.

Work Hard/Play Hard: This type of organization does not involve much risk, as the organizations already consist of a firm base along with a strong client relationship. This kind of culture is mostly opted by large organizations which have strong customer service. The organization with this kind of culture is equipped with specialized jargons and is qualified with multiple team meetings.

Bet Your Company Culture: In this kind of culture, the company makes big and important decisions over high stakes endeavors. It takes time to see the consequence of these decisions. Companies that postulate experimental projects and researches as their core business, adopt this kind of culture. This kind of culture can be adopted by a company designing experimental military weapons for example.

Process Culture: This type of culture does not include the process of feedback. In this kind of culture, the organization is extremely cautious about the adherence to laws and prefers to abide by them. This culture provides consistency to the organization and is good for public services.

2.3.2 Effects of Organizational Culture

According to Spreitzer, 1995). There has been a great deal of anecdotal evidence and some empirical evidence regarding the performance effects of organizational culture. Anecdotal evidence begins Peters and Waterman's *In Search of Excellence* (1982). This book basically stimulated the now familiar business school case study approach. More recent anecdotal evidence regarding the most successful companies in the last several decades has also been proffered. According to Cameron and Quinn (1999), many of the most successful companies,

including Southwest Airlines, Wal-Mart and Tyson Foods , score low on well-established critical success factors (i.e., entry barriers that prevent organizations from competing for the same market, no substitutable products, low levels of bargaining power on the part of buyers due to customer dependence, low levels of bargaining power for suppliers because they have no alternative customers, a large market share that promotes economies of scale, and rivalry among the competition that deflects head-to-head competition with a potential dominator). These unlikely winners have strong leadership that promotes unique strategies and a strong culture to help them realize these strategies. There is also strong anecdotal support indicating that the primary cause of failure of most major change efforts (such as TQM and reengineering) has been the failure to successfully change the organizational culture (Kotter and Heskett 2002).

There are five major reasons for wanting to create an appropriate and positive organizational culture for your company:

A strong organizational culture will attract high level talent. The high level talent entering corporations want to go to the companies that offer opportunities for advancement and to show off their talents. The best people can be choosy and they will strongly consider the companies where the organizational culture appears effective and positive and the workers get along with each other and are united in their goals of making the company better.

A strong organizational culture will help to keep your top level talent. If workers love the job they are at, and feel like valuable members of a team, then theyâ€™re not likely to want to go to another company. A top notch culture will not only attract the best new talent, but help retain them afterwards.

A strong culture creates energy and momentum. Once a strong organizational culture is built, it will gain a momentum of its own and will help to allow people to feel valued and express themselves freely. The excitement and energy this will cause will end up being a positive influence that affects every part of the organization.

A strong and successful organizational culture should alter the employees' view of work. Most people think of work as boring, aggravating, stressful, etc. Instead of thinking of work as a place you have to go, a solid culture can make employees look forward to work. If the workers love coming into the job, they are going to work harder, and put more effort into any job. Everyone wants a job that they enjoy, and most people are willing to work: but it's easier to work hard in a job you enjoy than in one you hate. Same principle applies to everyone else, too.

A strong and positive organizational culture will help make everyone more efficient and successful. From the lowest mail room worker to the highest CEO, a strong culture helps everyone. You often hear this type of description made with a professional football team.

2.3.3 Challenges of organizational culture

According to Schein (1985) Employees experience many challenges in relation to organizational culture which have hindered their performance. In most cases work challenges arise as due to;

- i) The increased power given to them which may lead to abuse of the same.
- ii) Employees who focus on their own success rather than groups may leave; this is because they can't work collectively as a group.
- iii) There is an increased cost to the organization for training and education.
- iv) There is increased time in groups or committees which takes away from regular jobs.
- v) There may be increased conflict or power struggle between employees due to group work.
- vi) Due to the sharing of information among the employees and management, some may share it with outsiders.
- vii) Biased empowering,
- viii) Lack of mutual trust from management,
- ix) Lack of a proper reward system,
- x) Empowerment from the top instead of delegating responsibility to the lowest levels which makes them feel shortchanged.

Others according to Davenport, (1993) and Saffold, (1988) include;

- a) Remuneration this is not significant with the work done by employees. This means that employees do a lot of work and what they get in return or their salary is not motivator compared by the duties performed by seniors who earn more and do less, this factor ends up demotivating majority of employees hence affecting their performance.
- b) Working condition is another factor, this is a demotivating factor due to lack of sufficient materials, lack of enough assistance staff, unclear stated standards, lack of clear chain of command where some of the employee don't know the right chain of command, the equipments used are not up to date or rather the organization is not quick enough to catch up with technological changes like cameras, transmitting machines among others. All these factors revolve around the working condition and have a great impact on the performance of employee and if not critically assessed employees affect performance in the organization even though the employees are empowered.
- c) Training and developments is another factor that ends up demotivating employees if its not taken care of. Many employees are usually not taken for training, if there is need for training an employee is forced by circumstances to train by him/ herself at their own cost may be to be promoted or to improve their performance. This can greatly affect the performance of an employee if they can't afford to train and thus loosing morale for work, hence affecting their general performance.
- d) If promotion is done in free and fair way in the organization can boost their morale. Promotion ends up demotivating them if it is not done fairly thus affecting their performance.
- e) Reward system is another factor which is greatly contributing to the demotivation of employee in organizations, if the reward system is biased it discourages them and thus contributing to their poor performance and morale.
- f) Poor relationship with the top management which is not encouraging because there is communication breakdown between the two parties this alone can greatly influence the performances of employees and they feel neglected in the organization if they are ignored by the seniors and thus contributing to laxity hence poor morale and poor performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the methodology to be used in this study; it discusses the research design, population sample, instrumentation and data analysis.

3.1 Research design

The research design used an investigative survey which used quantitative methods to come up with descriptive inferences and conclusions. The study has established the impact of organizational culture on performance in the corporate sector and also provides guidelines on how culture may be implemented by organizations.

3.2 Study population

The study targeted on 200 of employees from the top management, technical staff and employees.

3.3 Sample size

This research will targeted on 100 employees in the organization, 20 management, 40 technical staff and 40 employees.

3.4 Sampling technique

Employees were selected randomly from the different levels of employees that is 20 from the Human resource department, 25 from finance department, 30 from sales and procurement, 25 from the IT department. The sampling frame for this research were the respondents from Kenya Pipeline Company. The units of research study were selected using deliberate sampling, which is also known as non probability sampling.

3.5 Data source

Primary data

Primary data was collected from Kenya Pipeline Company through administering of questionnaires and personal interviews.

Secondary data

These included the organizations websites, brochures, text books and journals available at the university library to compliment the primary data collected.

3.6 Data collection instruments

In order to be able to collect information about the study their must be research instruments to help in the collection of data. The research instruments that will be useful in this study will be questionnaire which helps if the respondent is busy or shy. The other will be interviews which respondents from the departments would be asked questions.

3.6.1 Questionnaire

The questionnaires were given to various respondents in the organization. Questionnaire has several advantages;

- They permit a greater depth of response to the respondent if given the time to make a response.
- They also give respondents time to verify their answer.
- They are economical to use in terms of money and time

3.6.2 Interviews

This technique was used to supplement on the questionnaire. It helped to get an in-depth data which would have not been possible when using questionnaires. Interviews have several advantages;

- Interviews yield higher response rate mainly because it is difficult for subject to completely refuse to answer questions.
- Interviews guide against confusing the question since the interviews can clarify the questions there by help the respondent give relevant responses.

- There is direct contact and face to face interaction with respondents.

3.7 Research procedure

The researcher obtained a letter of introduction from the university and used this letter as proof that he/ she is a student of Kampala International University and was provided with the permission to conduct the study.

The researcher showed this letter to respective respondents before administering the questionnaire guide to the respondents.

3.8 Ethical considerations

The researcher ensured that the respondents had utmost confidentiality and will thank the respondents after they have participated in answering the questionnaire or responding to the interview.

3.9 Data analysis

The data was collected by use of questionnaires then analyzed firstly by quantifying the responses depending on the similarity of the response received and later be presented in percentage form. Quantifying of the data will be based on the similarity of the responses as this will make the analysis of the data more comprehensible and as such conclusion will be deduced easily thus serving the purpose of the research.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.0 Introduction

In this chapter an attempt is made to interpret and explain the findings. Also key information enables to relate to the specific objectives and give a clear picture of the results.

4.1 Forms of organizational culture

The respondents were asked a question about forms of organizational culture on performance. The responses are as indicated on the table.

Table 1: Forms of organizational culture

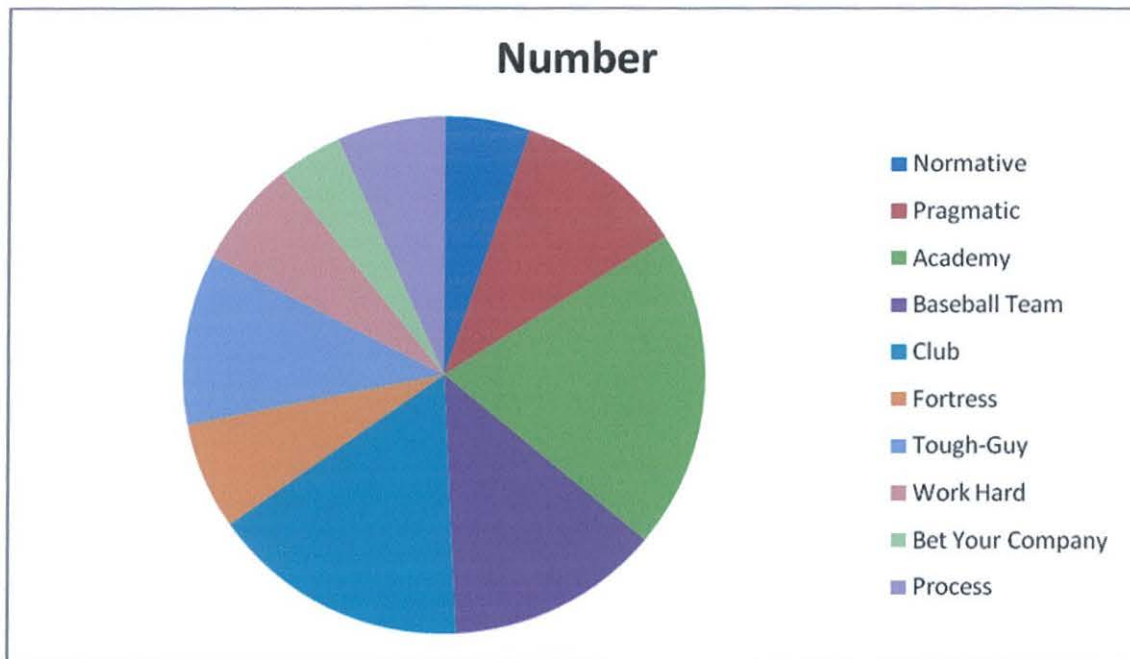
RESPONSE	FREQUENCY	PERCENTAGE
Normative Culture	4	5.3%
Pragmatic Culture	8	10.7%
Academy Culture	15	20%
Baseball Team Culture	10	13.2%
Club Culture	12	16%
Fortress Culture	5	6.7%
Tough-Guy or Macho Culture	8	10.7%
Work Hard/Play Hard	5	6.7%
Bet Your Company Culture	3	4%
Process Culture	5	6.7%
Total	75	100%

Source: primary data (2011)

The findings showed that the preferred form of organizational culture was the academy culture with 20%, followed by club culture with 16%, baseball team culture with 13.2%. These three are the most preferred comparing with the ten forms of culture in the organization.

The above information on table 1 can be illustrated on a pie chart figure 1.

Figure 1: An illustration of the above table in form of a pie chart



Furthermore the respondents were interviewed about the forms of organizational culture on performance the responses are that academy culture is preferred with 20%, followed by club culture with 16%, baseball team culture with 13.2%. These three are the most preferred comparing with the ten forms of culture in the organization.

4.2 Effects of organizational culture on performance

The respondents were asked a question about effects of organizational culture on performance. The responses are as indicated on the table.

Table 2: Effects of organizational culture

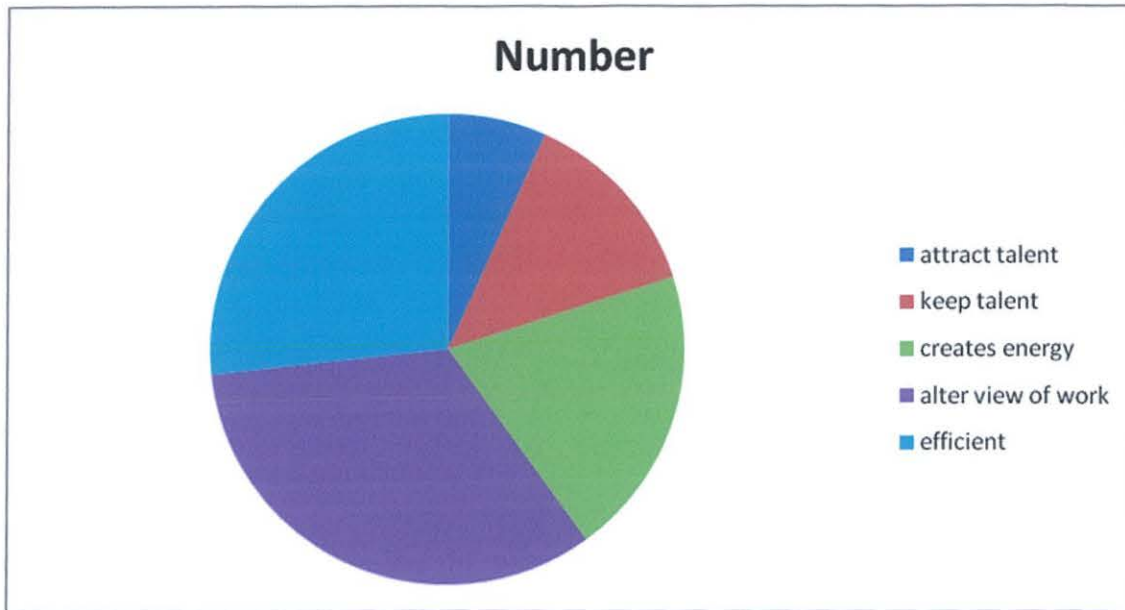
RESPONSE	FREQUENCY	PERCENTAGE
Attract high level talent	5	6.7%
Help to keep your top level talent	10	13.3%
Creates energy and momentum	15	20%
Alter the employees' view of work	25	33.3%
Help make everyone more efficient and successful	20	26.7%
Total	75	100%

Source: primary data (2011)

The findings showed that altering the employees' view of work creating energy and momentum and helping make everyone more efficient and successful are the major effects of organization culture on performance. If we deprive employees of such clear direction, who are we to expect flawless performance? This is why from the findings, 33.3 percent of the respondents said Altering the employees' view of work affects performance greatly, 26.7 percent of the respondents said helping make everyone more efficient and successful affects performance, 20 percent of the respondents said creating energy and momentum affects performance, 13.3 percent of the respondents said helping to keep your top level talent affects performance, 6.7 percent of the respondents said attracting high level talent affects performance.

The above information on table 2 can be illustrated on a pie chart figure 2

Figure 2: An illustration of the above table inform of a pie chart



Furthermore the respondents were interviewed about the effects of organizational culture on performance the responses are that organizational culture moderately improves performance, this is why from the findings, 33.3 percent of the respondents said altering the employees' view of work affects performance greatly, 26.7 percent of the respondents said helping make everyone more efficient and successful affects performance and 20 percent of the respondents said creating energy and momentum affects performance.

4.3 Challenges that the organization faces in the implementation of organizational culture.

The respondents were asked a question about challenges of organizational culture on performance. The responses are as indicated on the table.

Table 3: Challenges that the organization faces in the implementation of organizational culture.

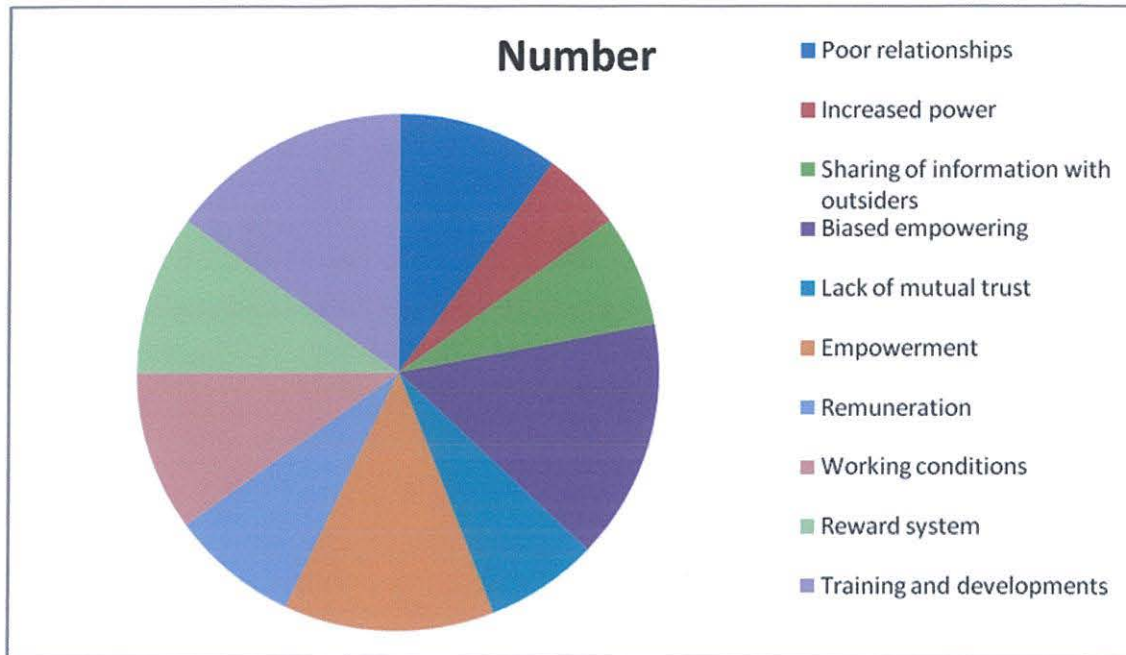
RESPONSE	FREQUENCY	PERCENTAGE
Poor relationships	7	9.3%
Increased power	4	5.3%
Sharing of information with outsiders	3	4%
Biased empowering	12	16%
Lack of mutual trust	5	6.7%
Empowerment	11	14.7%
Remuneration	5	6.7%
Working conditions	9	12%
Reward system	7	9.3%
Training and developments	12	16%
Total	75	100

Source: primary data (2011)

The findings showed that 16% of the respondents stated that the challenges the organization faces in the implementation of organizational culture are lack of training and development and biased empowering, 14.7% of the respondents stated that empowerment was also a challenge and 12% of the respondents stated that working conditions are also a challenge in the implementation of organizational culture.

The above information on table3 can be illustrated on a pie chart figure 3

Figure 3: An illustration of the above table inform of a pie chart



Furthermore the respondents were interviewed about the challenges of organizational culture on performance the responses are that employees have very many challenges and they were as follows: 16% of the respondents said that biased empowering, training development, 14.7% of the respondents stated that empowerment was also a challenge and 12% of the respondents stated that working conditions are also a challenge in the implementation of organizational culture due to re-engineering of jobs and the rapid changes taking place in business today and lack of detailed employee empowerment policy in the organization although critics of employee empowerment claim that is almost impossible to provide empowerment for every employee, since many jobs are in a state of continuous flux as technologies and market conditions change

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter was concerned with the discussion, conclusion and recommendation of the study. The major objective of the study was to establish the effects of organizational culture on performance, forms of organizational culture and the challenges that organizations face in the implementation of organizational culture in Kenya Pipeline Company. A total of 100 participants who included 20 from the Human resource department, 25 from finance department, 30 from sales and procurement, and 25 from IT department were targeted for the study though response base of 75 was obtained. The study findings were investigated in line with the research questions of the study. Conclusions and recommendations were then made after presenting and interpreting the data.

5.1 Discussion of the findings

The discussion will be discussed objective by objective.

5.1.1 Forms of organization culture

The findings showed that there are three most preferred forms of organizational culture as compared to the ten forms of culture in the organization. The preferred form of organizational culture was the academy culture with 20%, followed by club culture with 16%, baseball team culture with 13.2%.

In academy culture, employees are highly skilled, and the organization provides an environment for the development and honing of employee skills. Examples of this kind of culture are hospitals, universities, large corporations, etc. Employees tend to stay with the organization and grow within it (Delaney and Huselid 1996).

In baseball team culture the employees are "free agents" and are highly prized. These employees find employment easily in any organization and are very much in demand. There is, however, a

considerable amount of risk that is attached to this culture, as it is also fast paced. Examples of this kind of culture are advertising, investment banking, etc. (Denison 1990).

In club culture the employees usually stay with the organization for a long time and get promoted to a senior post or level. These employees are handpicked, and it is imperative that they possess the specific skills required and desired, by the organization. Examples of this kind of organization are law firms, the military (Schein 1985).

5.1.2 Effect of organizational culture on employee performance

The findings revealed that organizational culture has a major impact on employee performance. According to Spreitzer, 1995. There has been a great deal of anecdotal evidence and some empirical evidence regarding the performance effects of organizational culture.

A strong culture creates energy and momentum. Once a strong organizational culture is built, it will gain a momentum of its own and will help to allow people to feel valued and express themselves freely. The excitement and energy this will cause will end up being a positive influence that affects every part of the organization. (Rao V.S.P & Narayan P. S).

A strong and successful organizational culture should alter the employees' view of work. Most people think of work as boring, aggravating, stressful, etc. Instead of thinking of work as a place you have to go, a solid culture can make employees look forward to work. If the workers love coming into the job, they are going to work harder, and put more effort into any job. Everyone wants a job that they enjoy, and most people are willing to work: but it's easier to work hard in a job you enjoy than in one you hate. Same principle applies to everyone else, too (Hatch, M.J. 1993).

A strong and positive organizational culture will help make everyone more efficient and successful. From the lowest mail room worker to the highest CEO, a strong culture helps everyone. You often hear this type of description made with a professional football team. (Allaire, Y. & Firsirotu, M. 1984).

5.1.3 Challenges that the organization faces in the implementation of organizational culture.

The findings revealed that employees experience many challenges in relation to organizational culture which have hindered their performance. In most cases work challenges as showed in table 3 arise as due to lack of training and development, biased empowering and working conditions. This according to Fred Luthans working condition is a demotivating factor due to lack of sufficient materials, lack of enough assistance staff, unclear stated standards, lack of clear chain of command where some of the employee don't know the right chain of command, the equipments used are not up to date or rather the organization is not quick enough to catch up with technological changes like cameras, transmitting machines among others. All these factors revolve around the working condition and have a great impact on the performance of employee and if not critically assessed employees affect performance in the organization even though the employees are empowered.

According to (Schein 1985) training and developments is another factor that ends up demotivating employees if its not taken care of. Many employees are usually not taken for training, if there is need for training an employee is forced by circumstances to train by him/herself at their own cost may be to be promoted or to improve their performance. This can greatly affect the performance of an employee if they can't afford to train and thus loosing morale for work, hence affecting their general performance.

5.2 Conclusions

The conclusions were drawn verifying the factors influencing employees' performance in relation to organizational culture at Kenya Pipeline company. This was done in line with the study objectives which included; establishing the forms of organizational culture, to assess the effects of organizational culture on employee performance and to find out the challenges of organizational culture.

The findings showed that the preferred form of organizational culture was the academy culture with 20%, followed by club culture with 16%, baseball team culture with 13.2%. These three are the most preferred comparing with the ten forms of culture in the organization.

Performance the responses are that organizational culture moderately improves performance, this is why from the findings, 33.3 percent of the respondents said altering the employees' view of work affects performance greatly, 26.7 percent of the respondents said helping make everyone more efficient and successful affects performance and 20 percent of the respondents said creating energy and momentum affects performance.

The findings showed that 16% of the respondents stated that the challenges the organization faces in the implementation of organizational culture are lack of training and development and biased empowering, 14.7% of the respondents stated that empowerment was also a challenge and 12% of the respondents stated that working conditions are also a challenge in the implementation of organizational culture.

5.3 Recommendations

Organizational culture generally should be examined critically as the employees are the "engine" of all organizations. Hence in order to achieve customer satisfaction, profitability and growth, employees must be greatly involved and their roles played exceptionally well hence the need of organizational culture.

Organizations should design organizational culture policies that are up-to-date and those that are flexible enough to accommodate any new change in the business environment and management should revise the empowerment policy twice a year so as to reduce on the challenges employees are facing due to de-jobbing and restructuring.

I recommend the organization to bring in fresh blood in the organization because majority of the employees are old and unproductive although the older have vastly more experience, which also counts. The young are highly productive in terms of energy/innovation/creativity. Therefore the organizations need a balance between these two groups for empowerment to be effective.

5.4 Limitation

Low quality information; some respondents gave low quality information either intentionally or unintentionally while other respondents were unwilling to freely share the information. This was

mainly true at the lower levels because of fear of not knowing whether the information could go to their superiors promoting repercussions.

Fear to give confidential information; some of the respondents had fear to allow the research in their departments due to private and confidential information concerning the policies and regulations of that organization.

Misplacement of questionnaire; some of the questionnaires the researcher distributed to the organization were misplaced by the respondents; this made the researcher to reprocess more copies.

Poor response; despite the respondents being reluctant to divulge any information pertaining the questionnaire, most respondents claimed that they were very busy carrying out the organizations' duties and so ended up delegating the responsibilities of answering the questionnaire.

5.5 Areas of further study

Further studies should be done on the topic, this is because technological changes are bringing about new ways of doing things and as a result organizational culture may have no effect on employee performance.

The rate at which graduates are getting into the business market is very high with their different skills, knowledge and abilities thus making it difficult for management to describe jobs which hinder employees to perform well thus calling for further research.

In closing, it is worth mentioning that regardless of whether or not significant research and supporting evidence exist to establish a definitive link between culture and effectiveness, valuing different viewpoints and styles as well as developing concrete ways to facilitate organizational learning from differences can still prove to be highly beneficial in maximizing organizational structure, procedures and processes.

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APPENDIX 1 QUESTIONNAIRE

ORGANIZATIONAL CULTURE AND PERFORMANCE

A research questionnaire investigating the application and impact of organizational culture in organizations.

QUESTIONNAIRE TO KENYA PIPELINE CORPORATION (KPC)

Please fill in the spaces provided /tick where appropriate

SECTION A: PERSONAL INFORMATION

- 1. Employee's Name (optional).....
- 2. Position held in the company.....
- 3. Department.....
- 4. Education.....
- 5. Gender male female
- 6. Age under 30 31-40 41-50

SECTION B

- 1. Does your organization culture affect performance in your organization?

(Tick one)

- 1 Yes
- 2 No

- 2. If your answer to the above question is "Yes how does it affect performance?

.....
.....

.....

3. Which of the above effects do think is common in the organization?

.....
.....
.....

4. What forms of organizational culture exists in your organization?

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.....
.....

5. Which of the forms is common in the organization?

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.....
.....

6. What challenges does the organization face as it implements organizations?

.....
.....
.....

7. Which of the challenges is common in your organization?

.....
.....
.....

THANK YOU.

APPENDIX II: INTERVIEW GUIDE

1. Does your organization culture affect performance in your organization?
2. Which effect do think is common in the organization?
3. What forms of organizational culture exists in your organization?
4. What challenges does the organization face as it implements organizations?
5. Which of the challenges is common in your organization?

APPENDIX III: BUDGET

This is an estimate of finances expected to facilitate the research study.

Item	Costs Kshs
Stationary	1, 500, 00
Data collection	2, 500, 00
Transport	4, 000, 00
Typing, printing and binding	3, 000, 00
Miscellaneous	2, 000, 00
Total	13, 000, 00

APPENDIX IV: TIME FRAME

ACTIVITY	PERIOD	OUTPUT
Proposal writing	April 2011	Proposal submission for approval
Field customization	May 2011	initial information collection
Developing instruments	May 2011	Developing of instruments
Data collection	May 2011	Coding and entering of data
Data analysis	May 2011	Analyzing and interpretation of data
Preparation of report	May 2011	Submission of dissertation