

Organizational Culture and Organisational Performance: Empirical Evidence from the Banking Industry in Ghana

Mariama Zakari, Kofi Poku

Wilberforce Owusu-Ansah

Department of Marketing and Corporate Strategy
KNUST School of Business
KNUST, Ghana.

Abstract

The relationship between organisational culture and performance has engaged the attention of researchers for many years. Majority of existing studies on organisational culture and performance have concentrated on developed countries. Using the Denison's Organisational Model, due to its integrative nature as well as its emphasis on both internal and external factors, this study examined the relationship between organizational culture and performance in Ghana, a developing country. All the variable items for organisational culture and Performance were measured using five-point Likert scale and using the Denison's Organisational Survey Instruments. The data was obtained from nine banks in Ghana constituting about 60% of the Banking Industry's Market Share, with different origins such as Public-Domestic, Private-Domestic, Pan African and Multinational Banks. The analysis was based on 296 respondents from various departments with varied positions. The study revealed that though there was significant differences among the banks in terms of the Organisational Culture Traits, there was no significant differences among them with regards to Performance. Apparently, none of the banks is more innovative than the others. Overall, there was a positive relationship between Organisational Culture and Performance in the Banking Industry in Ghana. In all cases, Mission was the Culture Trait with the strongest potential of impacting positively on Performance.

Key words: Banks, Organisational culture traits, Involvement, Consistency, Adaptability, Mission, and Performance

Introduction

Over the last two decades, there have been phenomenal changes in the nature of financial institutions in Africa, as a result of the entry of new aggressive competitors in the marketplace alongside the growing financial sophistication of customers and the greater and more efficient use of information technology (Rhine and Christen, 2008). Until recently, banking in Ghana had suffered distress as a consequence of the pre-reform policies of financial repression, government control of banks and the prolonged economic crisis (Brownbridge and Gockel 1996). Freed from regulatory restraints, competitive pressures have intensified and weaker banks found themselves often unable to sustain their competitive market position. In order to sustain or gain competitive edge alongside superior performance, many organisations have restructured, merged, benchmarked, re-engineered, implemented total quality management programmes and introduced competitive staff benefits. Despite these attempts, organisations are yet to experience high performance (Davidson 2003). Peters and Waterman (1982) analysis of sustained superior financial performance of certain organisations have attributed their success to the specific culture of each of the respective organisation. Culture is often conceived as intangible, difficult to understand and worthy of focus only if there is time. However, the ability to identify the culture traits of an organisation provides a platform for better understanding of the operations of the organisation for a better performance. Unfortunately, most often organisational cultural issues are overlooked, while attention is directed towards activities that may have little or no positive effect on performance (Davidson 2003). Moreover, the quantitative studies that have been conducted on organisational culture have generally been performed in the developed countries and very little has been done in developing countries (Davidson, 2003) such as Ghana, especially in the banking industry.

This study seeks to investigate the effect of organisational culture traits on performance in the banking industry in Ghana.

Contextualising the Organisational Culture

Organisational culture has been variously defined (Kroeber and Kluckhohn, 1963; O'Reilly and Chatman, 1996; Sudarsanam, 2010). This may be because of the ambiguous nature of the concept of the organisation (Schein, 1990) and the different understandings of what culture is (Brown (1995)). The culture of an organisation can be defined as the embodiment of its collective systems, beliefs, norms, ideologies, myths and rituals. They can motivate people and can become valuable source of efficiency and effectiveness (Sudarsanam, 2010). A clear distinction can however, be made between those who think of culture as a metaphor which allows for the understanding of organisations in terms of other complex entities such as the machine and the organism (Davidson, 2003) and those who think of culture as an objective entity with personality (Van de Post et al, 1998). While there is no consensus on the components of organisational culture, most authors agree that it is: holistic, inter-subjective and emotional, rather than strictly rational (Christensen, and Gordon, 1999); historically determined and needs to be taught to new members as the 'correct way' to perceive things (McGregor, 1960; Schein, 1990); related to anthropological concepts (McNamara, 2000); a collective phenomenon, socially constructed and shared by members of groups (Davis, 1984; Sergiovanni and Corbally, 1984); primarily ideational in character, having to do with meanings, understandings, beliefs, knowledge and other intangibles which govern peoples' lives and behaviour patterns (Kennedy, 1982, Kotter and Heskett, 1992; Pettigrew, 1979). It is difficult to change culture since it forms the foundation for the organisation's management system (Ouchi (1981, Denison, 1990), provides meaning to the members of the organisation (Denison, 1990; Hofstede et al, 1990; Trice and Beyer, 1993) and outlasts organizational products, services, founders and leadership and all other physical attributes of the organization (Schein (1992).

Models of Organisational Culture

Different models of organisational culture exist in literature. Famous among these models are Schein (1992), Kotter and Heskett (1992), Hofstede et al (1990), Cameron and Quinn (1999), and Denison (1990). Schein (1992) argued that culture exists at three successive levels. The most visible level of culture is its artefacts and creations, consisting of its constructed physical and social environment. At the next level down are the values that drive behaviours. The third level consists of basic underlying assumptions which evolve as solution to problem. As it is repeated over and over again it is taken for granted. What was once a hypothesis, supported only by a hunch or a value, is gradually treated as a reality. Kotter and Heskett (1992) describe culture as having two levels which differ in terms of their visibility and their resistance to change. At the deeper 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.

At the more visible level, culture embodies the behaviour patterns or style of an organisation that new employees are automatically encouraged to follow. Hofstede et al (1990) classify the manifestation of culture into four categories, namely symbols, heroes, rituals and values. Symbols are words, gestures, pictures or objects that carry a particular meaning within a culture. Heroes are persons, alive or dead, real or imaginary, who possess characteristics highly prized in the culture and who thus serve as models for behaviour (Wilkins, 1984). Rituals are collective activities that are technically superfluous but are socially essential within a culture, and can be considered to be carried out for their own sake. Hofstede (1980) describes these layers as being similar to the successive skins of an onion: from shallow superficial symbols to deeper rituals. Symbols, heroes and rituals can be subsumed under the term practices because they are visible to an observer, although their cultural meaning lies in the way they are perceived by insiders. The core of culture is formed by values, in the sense of broad, non-specific feelings of good and evil, beautiful and ugly, normal and abnormal, rational and irrational, that are often unconscious and rarely discussable. These values cannot be observed as such, but are manifested in alternatives of behaviour (Hofstede et al, 1990).

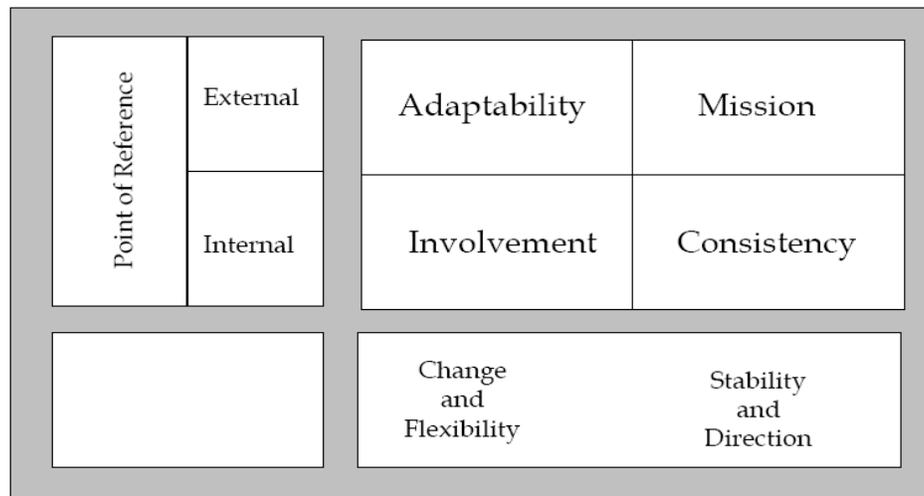
Cameron and Quinn (1999) have developed an organizational culture framework built upon a theoretical model called the "Competing Values Framework." This framework refers to whether an organization has a predominant internal or external focus and whether it strives for flexibility and individuality or stability and control. The framework is also based on six organizational culture dimensions and four dominant culture types (i.e., clan, adhocracy, market, and hierarchy).

The Denison's Model of Culture and Effectiveness (Denison, 1990) presents the interrelations of an organisation's culture, its management practices, its performance and its effectiveness. It highlights the importance of linking management practices with underlying assumptions and beliefs when studying organisational culture and effectiveness (figure 1)

The Denison's Model of Culture

The values and beliefs of an organisation give rise to a set of management practices, which are concrete activities usually rooted in the values of the organisation. These activities stem from and reinforce the dominant values and beliefs of the organisation. The model posits that there are four key cultural traits: involvement, consistency, adaptability and mission.

Figure 1: Denison's Model of Culture and Effectiveness



Source: Davidson (2003: p 49)

Involvement Trait

Involvement is the degree to which individuals at all levels of the organization are engaged in pursuit of the mission and work in a collaborative manner to fulfil organizational objectives. This trait consists of building human capability, ownership and responsibility. Organisations empower their people, build their organizations around teams, and develop human capability at all levels (Becker, 1964; Lawler, 1996; Likert, 1961). Executives, managers, and employees are committed to their work and feel that they *own* a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization (Spreitzer, 1995). When capability development is higher than empowerment, this can be an indication that the organisation does not entrust capable employees with important decision making that impact their work. Capable employees may feel frustrated that their skills are not being fully utilised and may leave the organisation for better opportunities elsewhere if this is not dealt with. On the other hand, when empowerment is higher than capability development, this is often an indication that people in the organisation are making decisions that they are not capable of making. This can have disastrous consequences and often happens when managers confuse empowerment with abdication. When team development is higher than empowerment or capability development, it provides an indication that there cannot be much substance to the team. The team is likely to go about their daily activities without a real sense of purpose or without making a contribution to optimal organisational functioning.

Consistency Trait

Consistency is the organization's core values and the internal systems that support problem solving, efficiency, and effectiveness at every level and across organizational boundaries. Organizations also tend to be effective because they have "strong" cultures that are highly consistent, well coordinated, and well integrated (Saffold, 1988).

The fundamental concept is that implicit control systems, based upon internalized values, are a more effective means of achieving coordination than external control systems which rely on explicit rules and regulations (Pascale, 1985; Weick, 1987). Behaviour is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991). This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity (Senge, 1990). When agreement is lower than core values and coordination, this tends to indicate that the organisation may have good intentions, but may become unglued when conflict or differing opinions arise. During discussions, different people might be seen talking at once or ignoring the input of others, and withdrawal behaviours might be observed. The result is that nothing tends to get resolved and the same issues tend to arise time and time again.

Adaptability Trait

Adaptability is the ability of the company to scan the external environment and respond to the ever-changing needs of its customers and other stakeholders. Organisations hold a system of norms and beliefs that support the organisation's capacity to receive, interpret and translate signals from its environment into internal behaviour changes that increase its chances for survival and growth (Denison, 1990). Ironically, organizations that are well integrated are often the most difficult ones to change (Kanter, 1983). Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler 1998, Senge 1990, Stalk 1988). When customer focus is higher than creating change and organisational learning, this signifies that the organisation may be good at meeting customer demands currently, but is unlikely to be planning for future customer requirements or leading customers to what they may want in the future. However, when organisational learning and creating change are higher than customer focus, there is an indication that the organisation is good at recognising best practices and creating new standards in the industry, but has difficulty in applying their learning to their own customers.

Mission Trait

Mission is the degree to which the organization and its members know where they are going, how they intend to get there, and how each individual can contribute to the organization's success. Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives. They express the vision of how the organizations will look in the future (Mintzberg, 1987; Hamel & Prahalad, 1994). When an organization's underlying mission changes, changes also occur in other aspects of the organization's culture. When strategic direction, intent and vision are higher than goals and objectives, this indicates that the organisation may have a difficult time executing or operationalizing its mission. There may be brilliant visionaries who have a difficult time translating dreams into reality. When goals and objectives are higher than strategic direction, intent and vision, this often indicates that the organisation is good at execution but lacks a real sense of direction, purpose or long-range planning. The focus is usually a short term, bottom-line focus with little forward planning. Thus, the four traits of Denison's Model of Culture and Effectiveness have been expanded by Denison & Neale (1996), Denison & Young (1999) as well as Fey & Denison (2003) to include three sub-dimensions for each trait for a total of 12 dimensions. The following are the four main cultural traits with their sub dimensions:

Involvement trait (Attributes: capability development, team orientation, and empowerment);

Consistency trait (Attributes: core values, agreement, and coordination and integration);

Adaptability trait (Attributes: creating change, customer focus, and organizational learning);

Mission trait (Attributes: vision, strategic direction and intent, and goals and objectives).

Two of the traits, involvement and adaptability, are indicators of flexibility, openness, and responsiveness, and were strong predictors of growth. The other two traits, consistency and mission, are indicators of integration, direction, and vision, and were better predictors of profitability. Each of the four traits was also significant predictors of other effectiveness criteria such as quality, employee satisfaction, and overall performance. Mission and consistency are linked to financial performance, while involvement and adaptability can be linked to customer satisfaction and innovation. The four traits were strong predictors of subjectively-rated effectiveness criteria of the total sample of firms, but were strong predictors of objective criteria such as return-on-assets and sales growth only for larger firms.

Internal/External Split versus Flexibility/Stability Split of the Profile

Denison (2000a) explained that the model in figure 1 above has a horizontal split of the profile which distinguishes between an external focus (top half) and an internal focus (bottom half). Two of the traits, involvement and consistency address the internal dynamics of the organisation, but do not address the interaction of the organisation with the external environment; whereas the other two, adaptability and mission, focus on the relationship between the organisation and the external environment. In addition, there is the vertical split of the profile which distinguishes between a flexible organisation (left half) and a stable organisation (right half). Involvement and adaptability emphasise an organisation's capacity for flexibility and change. In contrast, consistency and mission traits emphasise the organisation's capacity for stability and direction. Organizations that are oriented towards consistency and mission are more likely to reduce the variety and place a larger emphasis on control and stability while in contrast, those oriented towards adaptability and involvement will introduce more variety, more input and more possible solutions to a given situation than the systems oriented who are towards a high level of consistency and a strong sense of mission.

Organisational Culture and Performance

According to Thompson and Strickland, (2001) two very distinct types of performance yardstick from companywide perspective are those relating to financial and strategic performance. Achieving acceptable level of financial results is crucial. The argument is that without adequate profitability, a company's pursuit of its vision as well as its long term health and ultimate survival is jeopardized. Besides, neither shareholders nor creditors will continue to sink additional funds into an enterprise that can't deliver satisfactory financial results. Even so, the achievement of financial performance by itself is not enough. Managers must also pay attention to the company's strategic well being- its competitiveness and overall long term business position. Unless a company's performance reflects improving competitive strength and stronger long term market position, its progress is less than inspiring and its ability to continue delivering good financial performance is suspect. The central issue associated with organizational culture is its linkage with organizational performance (Denison and Fey, 2003).

The relationship between organisational culture and performance has been established, and an increasing body of evidence supports a linkage between an organization's culture and its business performance. Kotter and Heskett (1992) found that corporate culture has a significant positive impact on a firm's long-term economic performance. They found that firms with cultures that emphasized all the key managerial constituencies (customers, stockholders, and employees) and leadership from managers at all levels, outperformed firms that did not have those cultural traits by a huge margin. They were also of the opinion that corporate culture was becoming more important in determining the success or failure of firms in the next decade. Denison's research of 34 large American firms found that companies with a participative culture reap a Return on Investment (ROI) that averages nearly twice as high as those in firms with less efficient cultures (Denison, 1990). Denison's study provides empirical evidence that the cultural and behavioural aspects of organisations are intimately linked to both short-term and long-term survival. Again Denison (1990) examined the relationship between corporate culture and performance. In that study, corporate culture was based on the perceptions of organisational practices and conditions, to characterize the organisational culture. He found that the organisation with participative culture performed better than other cultural types. Interestingly, the study and the findings are emanating from a developed economic environment and very little is known about its relevance and applicability in a developing one such as Ghana. It is against this background that the current study seeks to investigate the relationship between organisational culture and performance in the banking sector in Ghana as an attempt to replicate the Denison's model of culture in a developing country's context.

Research Methodology

The study was basically a replication of the Denison's Model of Culture (see Denison 1990) but it also integrates the other models and also takes into consideration both internal and external factors. The rationale is that it is also one of the most extensive quantitative study on corporate culture and organisational performance (Calori and Sarnin 1991). The research design was descriptive with the universal banks in Ghana as the unit of analysis. The organisational culture traits and performance measures were examined at organisational level by aggregating the results of individuals in the banks. Organisational culture was measured using the Culture Traits as identified by Denison including Mission, Involvement, Adaptability and Consistency on a five-point Likert scale.

The performance measures were obtained from Fisher (2000), and were the same measures used by Denison (2000). For avoidance of doubt, the study variables were: Customer Satisfaction, Increased Market Share, Competing Effectively at the Marketplace, Employee Satisfaction, Increased quality of Service and Improved Innovation. All the variable items were also measured using five-point Likert scale. Respondents were asked to evaluate the performance of their organisations on each item on the scale ranging from 1=strongly disagree to 5=strongly agree. A high performance is represented by high scores in the above stated measures

The survey instruments were used for the data collection from the permanent employees of nine selected commercial banks with branches in Accra and Kumasi (the two major cities in Ghana) out of the 26 commercial banks in Ghana. The nine banks were representative enough since they represented about 60% of the Ghanaian banking industry's market share (Bank of Ghana, 2009). The selected banks were stratified to include Public Domestic (Ghana Commercial Bank); Private Domestic (Merchant Bank, CAL Bank and HFC Bank); Pan African (Ecobank); and Multinational Banks (Barclays, Standard Chartered Bank, United Bank for Africa, and Stanbic Bank). This was done to ascertain whether there is a variation in the organisational culture of the different origins, as well as ascertain whether origin matters in determining a bank's performance. In all 450 questionnaires were administered to the permanent staff across all departments in the selected banks.

A minimum of 40 questionnaires were administered in each of banks which exceeded Denison's recommended minimum of 25 (see Denison 1998) as well as similar studies such as Fey (2003) with 179 sample size from 497 firms, as well as Garmendia (2004) with 32 responses where two or more executives were collectively required to answer a single questionnaire for each company. In most cases, the organisations selected the divisions that were included in the survey (similar to Denison's 1985 study). The number of employees that were sampled depended on the total number of employees in each organisation obtained from the head offices of the various banks. In all cases, questionnaires were answered by some divisions at the Head Offices. Questionnaires were afterwards administered to the selected branches. At the branch level, a short discussion was held with the branch manager to explain the nature of questionnaires. The questionnaires were answered by both managers and other employees. The branch managers determined the number of questionnaires that should be given. The questionnaire distribution exercise lasted for two weeks within the two Metropolises, and another two weeks for collection. As the questionnaires were being collected, informal interviews were conducted with customers of the various banks on their perceptions about the banks. In all 296 completed questionnaires were retrieved from the nine banks.

Each questionnaire response was captured onto a computer software programme for the purpose of analysis and control. Descriptive Analysis, Factor Analysis, Reliability and Validity Tests and Pearson Correlation Coefficient, were carried out using SPSS. Minitab 15.0 Software was used to conduct the Analysis of Variance (ANOVA), while STATA was used for the Regression. The Kruskal-Wallis One-Way ANOVA test was used to determine differences in cultural traits and performance among the various banks. This statistical tool was used because of the nature of the data. The analyses were carried out at a significance level of 5 % using the Minitab 15.0 software (Minitab Inc., 2007). Factor Analysis was used to determine correlations among culture and performance variables in order to eliminate traits that were highly correlated to ensure validity of the variables, as well as reducing the data into relevant number of factors to enable further analyses. In addition, the Cronbach's coefficient alpha and chi-square were also computed here using SPSS 13.0. The Ordered Probit Model which is appropriate for regression using ordered response data was used for the Regression Analysis using STATA 13.0 to determine the causal relationship between organisational culture and performance.

Data Analysis and Results

The Analysis of the Banks' Culture

Table 1 presents the various banks used for the study and their respective origins categorised into Public Domestic, Private Domestic, Pan African and Multinational banks. From the table, only Bank A is a Public Domestic Bank, and only Bank E is a Pan African bank. Three banks made up of Banks D, F, H are Private Domestic whereas the Multinational origin was made up of Banks B, C, G, and I.

Table 1: Categories of Bank and their Origins

Public Domestic	Private Domestic	Pan African	Multinational
Bank A	Banks D, F, H,	Bank E	Banks B, C, G, I

Table 2 presents the twelve culture attributes based on the four main culture traits as well as the respective means scores of the banks under study. Interestingly, of all the 12 culture items, Strategic Intent, Core values, Vision and Goals and Objectives had the highest scores with average mean value recording in excess of 4 on a five-point scale.

Table 2: The Twelve Culture Items with their Mean Scores

	A	B	C	D	E	F	G	H	I
INVOLVEMENT									
Empowerment	2.67	3.65	3.50	3.71	3.80	3.31	3.36	3.60	3.71
Team Orientation	3.24	3.96	3.88	4.00	3.88	4.12	3.64	3.90	4.13
Capability Development	3.31	3.88	4.37	4.05	4.20	4.14	3.92	3.90	3.80
CONSISTENCY									
Core Values	3.50	4.14	4.63	4.38	4.40	4.29	4.26	4.07	4.54
Agreement	3.14	3.60	3.57	3.76	3.35	3.29	3.22	3.43	3.42
Coordination and Integration	3.55	3.79	4.03	3.90	4.02	3.90	3.39	3.83	4.00
ADAPTABILITY									
Creating Change	2.83	3.74	3.93	4.14	4.17	4.00	3.81	3.80	3.17
Customer Focus	3.17	3.88	3.30	3.05	3.27	3.39	3.37	3.33	3.06
Organisational Learning	3.38	3.74	3.95	4.24	3.94	3.53	3.52	3.67	3.13
MISSION									
Strategic Intent	4.02	4.04	4.87	4.19	4.53	4.43	4.11	4.23	3.92
Goals and Objectives	3.71	3.79	4.22	4.14	4.30	4.20	3.96	4.00	3.75
Vision	3.52	3.84	4.28	4.19	4.14	4.18	3.83	4.07	4.38
Respondents	28	54	40	14	44	34	44	20	16

Source: Fieldwork

It is obvious that, all the three items for Mission (Strategic Intent, Vision, and Goals and Objectives) are part of the top scores, and this accounts for the high score of the main culture trait “Mission” in all the organisations (as indicated in Table 3). It is apparent that Ghanaian organisations place emphasis on their strategic planning and therefore are able to communicate their mission and integrate them in their organisational culture. On the other hand, Customer Focus, Agreement and Empowerment had the lowest scores. The low score of Customer Focus, accounted for the low score of the main trait “Adaptability”. On this note, it can be argued that, perhaps Ghanaian banks are not so responsive to customer needs since they are not so customer focused and do not adequately empower their staff to respond effectively to the changing needs of their customers, and as a result affects their ability to adapt to the changing needs of their customers and the environment at large.

Table 3: Mean Score Distribution of the Four Cultural Traits

	A	B	C	D	E	F	G	H	I
INVOLVEMENT	3.07	3.83	3.92	3.92	3.96	3.86	3.64	3.80	3.88
CONSISTENCY	3.40	3.84	4.08	4.01	3.92	3.83	3.62	3.78	3.99
ADAPTABILITY	3.13	3.79	3.73	3.88	3.79	3.64	3.57	3.60	3.19
MISSION	3.50	3.89	4.46	4.17	4.32	4.27	3.97	4.10	4.02

Source: Fieldwork

The mean score distribution of the four cultural traits are presented in Table 3. A comparison of the four main culture traits in each of the organisations reveals that Mission had the highest score in all the organisations ranging from 3.50 to 4.46. This perhaps is an indication of the relative importance of this trait in the banking sector in Ghana and this finding appears to support the assertion in the literature reviewed that mission impacts the greatest on performance indicators (Davidson, 2003). Thus, if an organisation is not clear about its purpose, strategies and goals, and if these are not embraced by multiple levels within the organisation, a great deal of effort applied to other traits and/or improvement initiatives will ultimately have little impact. While evidence in the literature suggests that Strong Involvement culture trait is rated as the second highest leverage culture trait within organisations (Denison, 1998), current study reveals that only Bank (E), a pan African bank, had its second highest score as Involvement, whereas Bank (A), a Public- Domestic Bank, had it as its lowest score.

The differences in organisational structures of the banks may account for the find. The Public Domestic bank has a tall hierarchical structure and a result, certain delays in taking decisions are likely to occur; and in Ghana most decisions for public own organisations are made at the top and brought down for implementation. The Pan African bank on the other side has a transnational structure, which looks more or less flat in nature; and decision making is quick and involves the participation of the implementers of the various policies. Adaptability which was considered by Denison (1998) as the third highest leverage is however the lowest for all except Bank (A), which had its third highest score in it. About 5 banks had their second highest score as Consistency, which is supposed to have the lowest leverage as indicated by Denison (1998). It is not surprising that consistency had the second highest score among most of the banks. Apparently, Ghanaian organisations are not so responsive to change and would want to maintain the status quo. Many Ghanaian employees have resisted strongly against relevant changes in the past due to job insecurities. To date, there are some who still regard the advent of computerised systems as a curse instead of a blessing.

Denison pointed out that, Involvement and Consistency determine the level of Internal Focus, while Adaptability and Mission determine the level of External Focus. Mission and Consistency determine the level of Stability while Involvement and Adaptability determine the level of Flexibility. Based on this categorisation and the above rankings, Bank (C), a Multinational Bank, can be said to be highly Internally Focused, followed by Bank (D) a Private-Domestic Bank, then Bank (E), a Pan African Bank and then again Bank (I), a Multinational Bank. Both Bank (E) and Bank (C) can be seen to be highly Externally Focused followed by Bank (D), and to some extent Bank (B), Bank (F) and Bank (I). On the analysis of the Stability and Flexibility variables, Bank (C) a Multinational Bank, is the most Stable bank ranking 1st in both Mission and Consistency, while Bank (E), a Pan African Bank, is the most Flexible bank ranking 1st in both Involvement and Adaptability. Bank (D), a Private-Domestic and Bank (I), a Multinational Bank, are moderately flexible while Bank (F), a Private Domestic and Bank (B) a Multinational Bank, are moderately Stable. Converting the scores of 1-5 into percentage and quartile scores, Denison (2000b) provided the following scoring system to determine the performance levels of organisations. Score 1 will represent 20%, while 5 will represent 100%.

Thus, the first quartile will be 0 - 1.25 Score, second quartile, 1.26 - 2.5 Score, third quartile will be 2.6-3.5 and the last quartile will be 3.6 - 5 for the last quartile. Therefore the first quartile represents the 1st to the 25th percentiles while the second quartile represents the 26th to the 50th percentiles. The third quartile represents the 51st to the 75th percentile, and the fourth quartile represents the 76th to the 99th percentile. Third and fourth quartile scores are those generally found in higher performing organisations, and first and second quartile scores are generally found in lower performing organisations. Based on Denison's (2000b) scoring system above stated, the mean scores in Table 3 above show that all the selected banks fall within the third and the fourth quartiles. This suggests that their cultural profiles are generally found in high performing organisations. However, this effect does not make it any easier to point out the overall strength of each of the banks, as well as determine whether the banks differ much in terms of the four cultural traits. It will require a more rigorous analysis to find out whether there are significant differences among the various banks in terms of the four Organisational Cultural Traits

Analysis of Variance (ANOVA) and Significant Level Test of Culture Traits among Banks

To ascertain whether there are differences in means among the various banks, Analysis of Variance Test was conducted and Table 4 provides the results.

Table 4: ANOVA for Culture Variables - Kruskal-Wallis Test: VALUES versus BANK

Bank	N	Median	Average Rank	Z
B	12	3.815	52.0	-0.29
F	12	4.060	62.5	0.94
E	12	4.080	69.6	1.77
A	12	3.865	48.8	-0.66
H	12	3.345	53.5	-0.12
D	12	4.095	69.3	1.74
I	12	3.775	21.2	-3.91
C	12	3.990	69.3	1.73
G	12	3.725	44.3	-1.20
Overall			54.5	
H = 24.24 DF = 8 P = 0.002				
H = 24.25 DF = 8 P = 0.002 (adjusted for ties)				

From Table 4, the level of cultural traits differed significantly among the various banks with a ($p = 0.002$) which is less than 0.05 indicating that the difference is highly significant. Bank (E)

recorded the highest average mean rank (69.6) followed by Bank (D) (69.3) and Bank (C) (69.3), then Bank (F) (62.5). Though Bank (D) and Bank (C) have the same average mean rank, the Z-Value of Bank (D) (1.74) is slightly higher than that of Bank (C) (1.73) indicating a slight strength in the traits of that organisation. On the other hand, the lowest average mean rank is 21.2 obtained by Bank (A) which is more than three times lower than that of the highest 69.6 from Bank (E), indicating a weakness in organisational traits of Bank A.

Comparison of Firms' Performance

Descriptive Statistics of Firms on the Four Organisational Culture Traits

Table 5 presents the average mean scores of the six main Non-Financial Performance Measures. In terms of Customer Satisfaction, Bank (D) (4.52) had the highest mean score followed by Bank (E) (4.38), and then Bank (F) (4.22), while the lowest mean score was from Bank (G) (3.62). Market Share Growth highest score was from Bank (E) (4.44), followed by Bank (H) (4.07), and then Bank (G) (4.06), and the lowest score of (3.71) coming from Bank (A). Again, Bank E (a Pan African Bank) had the highest score with mean value of 4.47 in terms of Competing Effectively in the Marketplace. Bank C (a Multinational Bank) was the 2nd with 4.45, Bank D (a Private Domestic Bank) was 3rd with 4.29, while Bank B (Multinational Bank) follows with 4.06. The lowest mean score here is from Bank I (another Multinational Bank), with (3.38). All the banks have relatively low scores in terms of Employee Satisfaction with the exception of Bank A with a leading score of (4.02), followed by Bank (I) (3.54), then Bank (H) (3.47), and then Bank (B) (3.43); Bank (G) scored the lowest with (3.23)

Table 5: Performance Measures and their Mean Scores

	A	B	C	D	E	F	G	H	I
Customer Satisfaction	4.02	4.14	3.98	4.52	4.38	4.22	3.62	4.10	4.126
Increased Market Share	3.71	3.98	3.93	3.90	4.44	3.94	4.06	4.07	3.83
Competing Effectively in the Marketplace	3.52	4.06	4.45	4.29	4.47	4.16	3.77	3.90	3.38
Employee Satisfaction	4.02	3.43	3.28	3.38	3.29	3.24	3.23	3.47	3.54
Increased Quality of Service	3.71	4.05	4.13	4.29	4.18	4.20	3.75	4.00	4.29
Improved Innovation	3.52	3.99	4.33	4.24	4.30	4.15	4.14	3.83	3.67

Quality of Service top score was a tie between Bank (D) and Bank (I) with 4.29 each. Bank (F) followed with (4.20), and then Bank (E) with (4.18). The lowest score came from Bank (A) with (3.71). Bank (C) is the highest top scorer of Improved Innovation with an average mean value of (4.33).

Bank (E) ranked second with (4.30), and then Bank (D) with 4.24. Overall, average highest mean scores were obtained in Customer Satisfaction whereas lowest mean scores were obtained in Employee Satisfaction

Analysis of Variance (ANOVA) and Significance Level Test of Banks' Performance Measures

In order to ascertain whether there are differences in means among the various banks, Analysis of Variance Test was conducted and the results presented in Table 6.

Table 6: ANOVA for Performance Variables: Kruskal-Wallis Test: VALUES versus BANK

Bank	N	Median	Average Rank	Z
B	6	4.020	26.1	-0.23
F	6	4.155	31.5	0.66
E	6	4.340	41.2	2.26
A	6	3.710	17.5	-1.65
H	6	3.950	23.5	-0.66
D	6	4.265	36.0	1.40
I	6	3.750	21.5	-0.99
C	6	4.055	31.1	0.59
G	6	3.760	19.2	1.38
Overall	54	27.5		
H = 12.40 DF = 8 P = 0.134				
H = 12.40 DF = 8 P = 0.134 (adjusted for ties)				

Performance was highest in Bank (E), a Pan African Bank, (41.2) followed by Bank (D) (36.0) and Bank (F) (31.5), both Private-Domestic Banks. However, there were no significant differences in their performance. This may be due to the fact that, no one bank is doing anything exceptionally innovative from the rest that would translate into a superior performance over the others.

The Relationship between Organisational Culture and Performance

In order to investigate the relationship between Performance and Culture Variables, an Ordered Probit Regression Analysis was conducted to ascertain whether a causal effect exists and the results are presented in Table 7.

Table 7: Ordered Probit Regression Coefficients of Organisational Culture and Performance Items

		Performance Items	Customer Satisfaction	Increased Market Share	Competing Effectively in the Marketplace	Employee Satisfaction	Increased Quality of Service	Improved Innovation
		Culture Items						
Mission	Vision	.2312*	-.0785	-.0813	.0413	.1230	.0549	
	Goals and Objectives	.3198**	.3823***	.4741***	.1356	.1081	.1092	
	Strategic Intent	.3419***	.5382***	.7565***	.0233	.5008***	.4266***	
Adaptability	Organisational Learning	.0753	.1874*	.1785*	-.0486	.0775	.3194***	
	Customer Focus	.0326	.1621	.2967**	-.0585	.0269	.1161	
	Creating Change	.4447***	-.0538	.1744*	-.0966	.0354	.1635*	
Consistency	Coordination	.3451	-.1488	.5481***	.1471	.2708**	.2145*	
	Agreement	-.3179	.0056	-.2554	.5391***	.1134	-.0735	
	Core Values	-.3635***	-.0812	-.1038	.1124	.1604	.2962**	
Involvement	Capability Development	-.0921	.3603***	.1146	-.0801	-.1141	.2811**	
	Team Orientation	.1698	.0565	-.0245	-.2888**	.1534	-.3769***	
	Empowerment	.0599	.0250	-.1872*	.4485***	.2417**	-.2407**	

***Correlation is significant at the 0.01 level

** Correlation is significant at the 0.05 level

* Correlation is significant at 0.10 level

From Table 7, Strategic Intent, a subscale of the Mission culture trait has the highest level of significance (at 1%) with all the performance items except Employee Satisfaction and it shown its importance on the performance of banking institutions in Ghana. Considering the performance items one after the other in relation to the culture items, Customer Satisfaction is first on the list. Customer Satisfaction is significantly correlated with the Culture subscales, Strategic Intent, Creating Change, Coordination and Integration and Core Values at 1%, with Goals and Objectives having 5% significance level. Core Values and Coordination and Integration are two of the three subscales of the main Culture Trait “**Consistency**”. Similarly, Strategic Intent and Goals and Objectives are two of the three subscales of the main Culture Trait “**Mission**”. Consistency and Mission are two of the four main Culture traits that determine the level of stability of an organisation. This indicates that, for an organisation to be able to satisfy its customers, it must be highly stable. Second on the performance list is Increased Market Share. Here, the culture subscales: Goals and Objectives, Strategic Intent, and Capability Development have a high level of significance at 1%. “**Mission**” is positively related and highly significant to Increased Market Share due to here again, Strategic Intent and Goals and Objectives. Organisational Learning is significant at 5%.

This indicates that, for an organisation to be able to increase its market share, it must intensify its Strategic Intent, Goals and Objectives, Capability development and to some extent Organisational Learning. Next on the performance list is Competing Effectively in the Marketplace. Customer Focus has 5% significance level, while the rest (Goals and Objectives, Strategic Intent and Coordination and Integration) are significant at 1%. Two of the three items of the main “**Involvement**” index are negatively signed. This means that a percentage change in involvement will negatively affect Competing Effectively in the Marketplace though insignificantly. Whereas **Mission**, here again, has the potential to increase Competing Effectively in the Marketplace. With regards to Employee Satisfaction, only two of the Culture items (Agreement and Empowerment) are positively significant at 1% while Team orientation is negatively significant 5%. In terms of Increased Quality of Service, only Strategic Intent is significant at 1%, while Coordination and Integration, and Empowerment are significant at 5%. These traits are single items from the determinants of each of the following Indexes: **Mission**, **Consistency** and **Involvement**, implying that they may have the potential of improving Quality of Service slightly.

Finally, with regards to Improved Innovation, Core Value, and Empowerment are significant at 5% while Strategic Intent, Organisational Learning and Team Orientation have 1% significance level. For the first time there are negatively significant items (Team Orientation and Empowerment) at 1% and 5% respectively, implying that a percentage change in the level of each of the Culture Items will significantly lead to a change in Improved Innovation in the negative direction. Both Team Orientation and Empowerment are two of the three determinants of the Culture Index “**Involvement**” and since these are negatively signed and significant, implies that involvement will significantly affect Improved Innovation negatively. It can be noted that most of the significance level are at 1% and all the negatively signed Culture Items are insignificant with the exception of Empowerment and Team Orientation (both determinants of Involvement Index) which are negatively significant in terms of Innovation. As such, Involvement will affect Innovation negatively. Overall, in the Regression Analysis, **Mission** is again the most strongly associated Trait with Performance, and its subscale account for 8 of the 23 significant correlations (i.e. more than 1/3rd). This finding is supported in literature where five of the six performance variables were found (Denison, (1998), and Denison and Fey (2003)).

However, the **Consistency** Trait which was the last trait in their findings happens to be the second most associated with performance in this study. This is consistent with Denison’s assertion that Mission and Consistency are strong predictors of profitability. That accounts for the reason why all the banks in this study had a culture profile of high performing organisations though with significant differences in their respective organisational cultures. Again, **Involvement** is the third most associated with performance, followed by **Adaptability**. This is in contrast with the US Data where Involvement was second followed by Adaptability. However, the fact that Involvement is followed by Adaptability is still maintained. If not for the fact that Consistency which is expected to be the least most associated to the performance variables had turned out to be the second, and as a result caused distortions, the findings would have been very similar to that of US. However, the study contrasts strongly with the findings using Russian Data by Denison and Fey (2003), where Involvement and Adaptability were the most associated traits to performance.

Conclusion

It appears that the organisational culture trait of the public domestic bank is a cause for concern as they are inimical to organisational growth. This is little surprising though, given that they are state-owned enterprises (SOEs) and perhaps there is no incentive and motivation to orient their corporate culture to make them competitive as their multi-national counterparts have responded to pressures from private domestic and Pan-African banks. It is recommended that the SOEs be privatised if they are to be competitive. A strong organisational culture that encourages the participation and involvement of its members appears to be its most important asset (Denison 1985). This is because culture can be one of the elements that an organisation can build its competitive advantage around, and which competitors may have difficulty to surmount. Organisational culture was overall found to be positively related to organisational performance, with most of the culture variables showing strong to moderate positive relationship with the organisational performance items. Mission is a culture trait that has exhibited a very strong tenacity in its ability to impact on performance in this study. Similarly the findings in United States by Denison indicated Mission as being the strongest predictor of performance. The only difference between the Ghanaian data and the US data is that, the Consistency Trait which was the last trait in the US Data happens to be the second strongest predictor of performance in the Ghanaian data, thus causing the positions of Involvement and Adaptability to be moved one-step down. However, the findings contrasted with the Russian Data by Denison where Involvement and Adaptability were the strongest predictors of organisational performance. This paper has made a modest contribution to the longstanding debate about the wisdom of using theories developed in one part of the world to understand organizational phenomena in other parts of the world (Boyacigiller et al. 2003). This study illustrates that a model of organizational culture developed in the United States can be applied in the Ghanaian context and can be useful for predicting differences in performance

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