

## THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES PERFORMANCE OF MOGADISHU UNIVERSITIES

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### ABSTRACT

*The purpose of this study is to investigate the impact of organizational culture on employee's performance of Mogadishu Universities. This study conducted through survey research design. The target population of this study was three universities, e.g. SIMAD University, Mogadishu University, University of Somalia, and the sample size consisted of 70 respondents. The data was extracted from the three selected universities in Mogadishu- Somalia through questionnaire, and the data analyzed SPSS. The study found significance strong positive correlation between organizational culture and employee's performance; this means that the outcome of good organizational culture is high employee performance. The study recommended that Mogadishu universities should provide continuous development of their employee's skills and capacity in order produce good performance.*

**Keywords:** Organizational culture, employee's performance, adaptability, consistency, universities

### INTRODUCTION

In the developed countries, the topics that suggest relationship between the culture and performance of social organizations have been a routine in the social sciences over 50 years (Denison & Mishra, 1995). The term organizational culture was used for the first time in the academic literature by Pettigrew in 1979 in the journal "Administrative Science Quarterly" (Ilies & Gavrea, nd). In the late 1970s and early 1980s, the topic of "organizational culture" confined managers and scholars attentions. A series of popular books, academic conferences, and special issues of scholarly journals highlighted the promise of organizational culture as a way to understand how organizations operate and succeed (Caldwell, Chatman, Doerr & III, nd). According to Aluko (2003) culture is a universal observable fact as there is no society in history without a culture, but culture varies from one society to another. And studies of formal organizations in both Western and non-Western societies have shown the implications of varying cultures for organizational operations and performance.

In Africa, Nongo (2012) investigated the relationship between organizational culture and corporate effectiveness in Nigeria and found that there is positive relationship between the variables. Nongo also argues that organizational culture is known as a theoretical and practical issue in managing organizations.

Since 1990 Somalia has suffered civil war with horrific consequences, causing thousands of deaths, and has no functioning government. But until recently, most literature about Somalia perceived the Somali people as ethnically homogenous, with a common religion, language and culture. So that every group of the Somalia society has its own culture named organizational culture (Teutsch, nd).

The theoretical framework adopted in this study is derived from theory Z which is advanced by William Ouchi (1980) in his book titled "How American business can meet the Japanese Challenge". Theory Z is an expansion of Douglas McGregor's (1960) Theory X and Theory

Y concepts, but the principal difference is that McGregor's Theory X and Theory Y formulation is an attempt to differentiate between the personal leadership styles of an individual supervisor, whereas Theory Z is concerned with the "culture of the whole organization". Theory z emphasizes the relationship between organizational culture and performance. Theory Z culture involves long-term employment, individual responsibility, consensual decision making, slow evaluation and promotion, an informal control system with explicit measures of performance, moderately specialized career paths, and extensive commitment to all aspects of the employee's life, including family (Lunenburg, 2011).

Literally the term organizational culture, has many definitions which a large number of authors defined such as Tsai (2011, page 1) "Organizational culture refers to the beliefs and values that have existed in an organization for a longtime, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behavior". Similarly, organizational culture is a set of signs and rules for the organizations use that signal how they might differ from one organization to another (Oparanma, 2010). On the other hand, according Aluko (2003) organizational culture is divided into two major aspects; material and non-material cultures. The Material aspects of culture include products of industry, technology, art, and are directly observable. The non-material aspects of culture consist of the knowledge, philosophy, morals, languages, motivation, attitudes, values, and norms shared and transmitted in a society. They are not visible or tangible but they are manifested through the psychological states and behavior of a people.

Therefore, the definition adopted of this study is that "Organizational culture is the set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace" (Lunenburg, 2011, page 1). Because these definition is simply related to variables of this study and its easily understandable.

Many researchers use different variables when measuring employee's performance. According to Nongo (2012) performance is measured in term of profitability and productivity. Thus, in Somalia context, the researchers of this study would like to measure the performance in term of employee motivation and monetary rewards, because this performance dimensions enhance the degree of satisfaction of employees. So that satisfied employee will perform the work efficiently and effectively and will offer satisfactory performance.

## STATEMENT OF THE PROBLEM

As many researches written factors such as the managerial policies, the behavior of the managers toward the employees and their rarely chances and information gap might have major influence on the impact of organizational culture on employee performance according to Oparanma (2010). The organizational culture has great effect on the variety of organizations process, employees and its performance. So that when employees are committed and having the same norms and value as per organizations have, could increase the performance to achieving the whole organizational goals as argued by Shahzad, Luqman, Khan, & Shabbir (2012).

Aluko (2003) examined that there a significantly positive relationship between organizational culture and employee's performance, and found that an organizations and its employees were not performing and working together very well because of weak culture. The organization's weak culture may cause lack of involvement, consistency, adaptability, and mission.

Therefore, consistent with these facts the researchers of this study attempts to investigate the impact of organizational culture on employee's performance of Mogadishu Universities.

## LITERATURE REVIEW

### Organizational Culture Concepts

Organizational culture is literally described by many researchers in diverse studies for various measures. According to Nongo (2012) asserted that culture is critical to understanding any society or group. Through the process of socialization individuals bring into groups. Groups have the capacity to shape, influence, and determine group members' outlooks, viewpoints, outputs, attitudes and indeed behaviors.

Organizations are created to solve societal problems. So that organizations employ individuals to assist them in the task of solving their assigned societal problems. However the behavioral border among organizational members creates a pattern of behaviors, values and attitudes that can be distinguished, isolated and identified as strange organizational culture. And the researcher measured organizational culture the in term of involvement, consistency, adaptability, and mission and employee performance measured in profitability, productivity, and employee motivation. On other hand, Mehr (2012) stated that today cultural clashes in any international project organization have led to an increased emphasis on preparedness on possible conflicts existing in cross-cultural cooperation. Cultural differences often result in varying degrees of conflict and require careful consideration.

However, corporate culture is an important factor in enhancing the attainment of organizational goals and objectives. And corporate culture affects the way in which people behave in an organization and also corporate culture can lead the employee improvement in workplaces to help and become more committed to their jobs (Nongo & Ikyanyon1, 2012). And the researcher measured corporate culture the variables include: involvement, consistency, adaptability, and mission on employee commitment to the organization.

In contrary to, Lim(1995) defined the term "culture" refers broadly to a relatively stable set of beliefs, values and behaviors commonly held by a society. And despite the claims for a link between organizational culture and corporate performance, few studies appear to have actually examined the existence as well as the nature of this relationship.

Garmendia (nd) discussed that a strong culture is now nearly generally understood to have a positive impact on performance. The translation of observation to the association between strong culture and success would involve playing down the importance of the former, so as to avoid an implied defense of cultural determinism. Certainly, financial results themselves influence cultural strength. Moreover, performance depends on many variables, and may therefore be found to be very high in companies with weak cultures.

The definitions and the measurements of the organizational culture discussed in the previous sections are consistent according to the context in which this study is conducted. Therefore, researchers of this study will measure the organizational culture in term of involvement, consistency, adaptability, and mission as already adopted by Nongo (2012).

### Organizational Culture and Employee's Performance

Many researchers investigated the relationship between organizational culture and performance. Lunenburg(2011) investigated the relationship between organizational culture and performance and stated that organizational culture is the set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace. An organization's culture can have an impact on organizational effectiveness. And the author adopted Peters and Waterman generalized concept of excellence. They identified several attributes that characterize excellent organizations: a bias toward action; close to the customer; autonomy and entrepreneurship; productivity through people; hands-on, value-

driven effort; sticking to the knitting; simple form, lean staff; and simultaneous loose-tight properties. And also, the author adopted Theory Z which was developed by Ouchi as an approach to excellence.

And the features of Theory Z which apply to schools include the following: trust, subtlety, and intimacy; shared control and decision making; skills training; motivation through self-interest; equitable reward system; and quality education. And the researcher recommended the following suggestions. First, knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation. Second, organizational culture can foster commitment to the organization's philosophy and values. Third, organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors and away from undesired behaviors. Finally, certain types of organizational cultures may be related directly to greater effectiveness and productivity than others (Lunenburg, 2011).

Marcoulides and Heck (1993) researched the Organizational Culture and Performance: Proposing and Testing a Model concerning how an organization's culture affects organizational performance. And demonstrate the application of LISREL modeling methodology to estimate and test this model. And hypothesized three interrelated dimensions: a socio-cultural system of the perceived functioning of the organization's strategies and practices, an organizational value system, and the collective beliefs of the individuals working within the organization. The researcher measured organizational culture by several latent variables which are: organizational structure and purpose, organizational values, task organization, climate, and individual values and beliefs.

Ojo (nd) examined various concepts on organizational culture and strives to ascertain the importance of relationship between organizational culture and corporate performance in business context. The study adopted survey research design. The researcher chose Nigerian employees in commercial banking industry as population of his study. The researcher's findings drawn that organizational culture plays a vital role in an organization's general performance.

## **METHODOLOGY**

### **Research Design and Sampling Procedure**

This study employed correlation research design to investigate the impact of organizational culture on employee's performance of Mogadishu Universities; the data were collected within one month (May, 2013) using questionnaire adapted from by Nongo (2012). The sample size of the study consist 70 respondents and we distributed questionnaires to the sample. The survey consisted of two major sections. The first section intended to gather background information of the respondents such as gender, age, education, marital status, qualification, and experience. The second is examined about the organizational culture and employee performance.

### **Data Analysis**

We used Statistical Package for the Social Science (SPSS, Version 16.0) as tool to analyze our data collected from the manufactures in Somalia; we utilize the following statistic techniques in order to explain the relationship between inventory management and production volume: descriptive statistics to analyze the demographics of respondents, Spearman correlation to analyze the relationship existence.

### Reliability Test

The reliability test performed to determine the internal consistency of the measures used, the table below shows that overall questions asked to the respondents have Cronbach Alpha values of more than 0.7. which makes all questions asked to the respondents are accepted, internally consistent and the scale deemed reliable for further analysis.

<i>Cronbach's Alpha</i>	<i>No. of items ( questions)</i>
0.851	24

## FINDINGS AND DISCUSSION

### Demographic Profile of Respondents

The data comes from the universities of Mogadishu in Somalia in relation to the research objectives, and the implementation of organizational culture and employees' performance. The introduction statement of the research questionnaire was efficient the Significance, rationale and purpose of the study. Furthermore, the respondents have been given the confidence that all data they provided was used only for the purpose of academic research and was treated confidentially.

**Table 1. Demographic Characteristics of the respondents**

<i>Demographic Characteristics</i>	<i>Frequency</i>	<i>%</i>	<i>Cumulative %</i>
<i>Gender</i>	Male	53	75.7%
	Female	17	24.3%
<i>Total</i>		70	100%
<i>Age</i>	Less than 20	4	5.7%
	21-30	56	80%
	31-40	5	7.1%
	41-50	4	5.7%
	Greater than 51	1	1.4%
<i>Total</i>		70	100%
<i>Marital Status</i>	Married	30	42.9%
	Single	40	57.1%
<i>Total</i>		70	100%
<i>Qualification</i>	Diploma	4	5.7%
	Bachelor	51	72.9%
	Master	15	21.4%
<i>Total</i>		70	100%
<i>Experience</i>	6 months	16	22.9%
	1 year	16	22.9%
	2 years	9	12.9%
	3 years	10	14.3%
	4 years and above	19	27.1%
<i>Total</i>		70	100%

Source: Primary Data 2013

The personal information of the respondents is looked upon in terms of: gender, age, marital status, qualification, and experience. Table 1 shows the Gender of the respondents. 75.7% of the respondents were male, showing that most of the respondents considered as male. 24.3% of the respondents were female. Finally the researchers could presume that in the above percentage, suggests a considerable number to be the male of the population.

Based on the collected questionnaires, majority of the respondents is composed male, while a small number of respondents were female. This result shows that the employees of Mogadishu universities in Somalia are the male.

Ages of the respondents, majority of them were in between the ages of 21-30 years (80%). While the remaining respondents were the age of 31-40 years (7.1%), the age of less than 20 (5.7%), the age of 41-50 years (5.7%), and the age of greater than 51 (1.4%).

In the marital status 57.1% of the respondents were single, while 42.9% of the respondents of this study were married.

Qualifications of the respondents, majority of them have Bachelor degree of university (72.9%) while 21.4% of respondents have Master degree and the remaining respondents 5.7% have Diploma certificate.

Experiences of the respondents, majority of them were 4 years and above (27.1%), while each of 6 month and 1 year were a same percentage of (22.9). 14.3% of the respondents have 3 years experiences. The remaining 12.9% of the respondents have 2 years experiences.

### **Organizational Culture of Some Selected Mogadishu Universities**

The first objective of this study was to identify the organizational culture of Mogadishu Universities in Somalia, in relation to the employees' performance. The respondents were required to indicate the extent to which they agree with each of the item by written the number that best describes their perceptions. To achieve this objective the respondents were asked several statements related to organizational culture to know their views or opinion. The results are summarised in the table 2.

According to the table 2 presented that organizational culture was scored highly mean 3.48 overall and standard deviation of 1.177 these result indicates that Mogadishu universities have good organizational culture.

Employees work and feel as members of the team were scored highly mean 3.83 and standard deviation of 1.191 indicate that employees of Mogadishu universities work and feel as members of the team.

Cooperation across departments or functions is highly encouraged were scored highly mean 3.57 and standard deviation of 1.137 specifies that cooperation across Mogadishu universities' departments or functions is highly encouraged.

There is continuous development of employee's skills and capacity were scored normal mean 3.27 and standard deviation of 1.250 shows that there is continuous development of employee's skills and capacity in Mogadishu universities.

Employees are seen as an important source of competitive advantage were scored high mean 3.59 and standard deviation of 1.173 shows that there is continuous development of employee's skills and capacity in Mogadishu universities.

I am happy working for my organization was scored high mean 3.73 and standard deviation of 1.203 illustrates that the employees of Mogadishu universities are happy working of their organizations.

**Table 2. Organizational culture of Mogadishu universities (n=70)**

	<i>Mean</i>	<i>Std. Deviation</i>	<i>Interpretation</i>	<i>Rank</i>
Employees work and feel as members of the team.	3.83	1.191	High	1
Cooperation across departments or functions is highly encouraged.	3.57	1.137	High	2
There is continuous development of employee's skills and capacity.	3.27	1.250	Normal	3
Employees are seen as an important source of competitive advantage.	3.59	1.173	High	4
I am happy working for my organization.	3.73	1.203	High	5
There are clear set of rights and wrongs within the organization.	3.29	1.241	Normal	6
The employees are highly committed to the success of the organization.	3.30	1.184	Normal	7
My organization is flexible in its approach to management	3.06	1.261	Normal	8
My origination continuously seeks new and improved ways of performance	3.70	1.108	High	9
My organization act and react to customer comments and recommendations.	3.40	1.279	Normal	10
The organization encourages and rewards creativity and risk taking.	3.26	1.337	Normal	11
The organization has clear and reasonable goals.	3.86	1.094	High	12
The organization has clear mission that gives meaning and direction to employee's performances.	3.56	1.235	High	13
Employees know what to do in order for the organization to succeed.	3.54	1.031	High	14
Employees are excited and motivated to work for the organization.	3.27	1.179	Normal	15
<i>Overall Mean</i>	<i>3.48</i>	<i>1.177</i>	<i>High</i>	

Source: primary data 2013

There are clear set of rights and wrongs within the organization were scored normal mean 3.29 and standard deviation of 1.241 proves that there are clear set of rights and wrongs with in Mogadishu universities.

The employees are highly committed to the success of the organization were scored normal mean 3.30 and standard deviation of 1.184 proves that there are clear set of rights and wrongs with in Mogadishu universities.

My organization is flexible in its approach to management was scored normal mean 3.06 and standard deviation of 1.261 shows that Mogadishu universities have flexible approaches to their management.

My organization continuously seeks new and improved ways of performance was scored normal mean 3.70 and standard deviation of 1.108 indicates that Mogadishu universities continuously seeks new and improved ways of performance.

My organization act and react to customer comments and recommendations was scored normal mean 3.40 and standard deviation of 1.279 shows that Mogadishu universities act and react to customer comments and recommendations.

The organization encourages and rewards creativity and risk taking was scored normal mean 3.26 and standard deviation of 1.337 shows that Mogadishu universities encourages and rewards creativity and risk taking activities of their employees.

The organization has clear and reasonable goals was scored normal mean 3.86 and standard deviation of 1.094 shows that Mogadishu universities have clear and reasonable goals that prevents their employees from confusion.

The organization has clear mission that gives meaning and direction to employee's performances was scored high mean 3.56 and standard deviation of 1.235 indicates that Mogadishu universities have clear and reasonable goals that prevents their employees from confusion.

Employees know what to do in order for the organization to succeed was scored high mean 3.54 and standard deviation of 1.031 indicates that employees of Mogadishu universities are loyal because they know what to do in order for the organization to succeed.

Employees are excited and motivated to work for the organization was scored normal mean 3.27 and standard deviation of 1.179 indicates that employees of Mogadishu universities are excited and motivated to work for the organization.

### Relationship between Organizational Culture and Employees' Performance

Based on the findings in objective one and objective two the study found out the overall mean of organizational culture is (3.48) which indicate a high, means that Mogadishu universities have good organizational culture. While the overall mean of employees' performance is (3.31) also indicates normal employees' performance Mogadishu universities. In this objective the study focus the relationship between the organizational culture and employees' performance. As mentioned above, the effective organizational culture strength employees' performance.

To investigate the relationship between organizational culture and employees' performances system the study developed this hypothesis "there is no significance relationship between the organizational culture and employees' performance". Due to the normality issue the study selected Spearman's rho which is used the Order Correlation coefficient  $r_s$ , is a non-parametric measure of the strength and direction of association that exists between two variables measured on at least an ordinal scale.

**Table 3. Correlation Analysis with spearman's rho**

<i>Spearman's rho</i>		<i>Organizational culture</i>	<i>Employees Performance</i>
Organizational culture	Correlation Coefficient	1.000	.783
	Sig. (2tailed)		.000
	N	70	70
Employees performance	Correlation Coefficient	.783	1.000
	Sig. (2tailed)	.000	.
	N	70	70

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

Source: Primary Data 2013

## DISCUSSION

The study found that there is a positive correlation between organizational culture and employees' performance. And the association between the two variables showed a high statistically significant result. The result was  $r=0.783$ ,  $p<.0005$  according to Cohen (1988) cited in Lunenburg (2011), the  $r=0.783$  suggested significance strong positive correlation. A Spearman's Rank Order correlation was run to determine the relationship between organizational culture and employees' performance.

According to Nongo (2012) examined the impact of organizational culture on corporate effectiveness of the cement manufacturing industry in Nigeria and found 0.761 by using Spearman's rank order correlation coefficient, which indicates that there is a significant strong positive relationship between variables of the study. So that this findings supports the results of this study mentioned above.

Similarly, Ehtesham, Muhammad, & Muhammad (2011) found .839 by using Spearman's rank order correlation coefficient, which indicates that there is a significant strong positive correlation of relationship between organizational culture and performance management practices: a case of university in Pakistan and also supports the results of this research

## CONCLUSION

This study found that the organizational culture of Mogadishu universities in Somalia has overall mean 3.48. This mean indicates a favorable situation. Means that Mogadishu universities in Somalia were established effective organizational culture. The suggestion of the study for Mogadishu universities is that they should strengthen the employees' performance if organizations are seeking to survive and to be successful.

The study explained that the employees' performance of selected Mogadishu universities have overall mean 3.31. Thus, this indicates normal and effective. The result's mean that Mogadishu universities in Somalia have moderate employees' performance.

This study found a positive moderate correlation between organizational culture and employees' performance. From the above findings, it is clear that the organizational culture of the universities have significantly influence on the employees' performance in Mogadishu universities in Somalia. The suggestion for management is that they should develop effective employees' performance.

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