Effects of Organizational Culture on Organizational Performance in the County Government of Taita-Taveta in Kenya

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ABSTRACT
Culture is a complex issue that essentially includes all of a group’s shared values, attitudes, beliefs, assumptions, artifacts, and behaviors. Culture is broad — encompassing all aspects of its internal and external relationships — and is deep in that it guides individual actions even to the extent that members are not even aware they are influenced by it. Scholars tend to agree that the root of any organization’s culture is grounded in a rich set of assumptions about the nature of the world and human relationships. This study sought to establish the effect of organizational culture in the performance of the County Government of Taita Taveta. The research design which was employed is a descriptive one involving a cross-sectional survey. The target population was 1,513 staff of the County Government. The sampling technique to be used will be stratified random sampling. Also, Primary data collection will be used and the data collection instrument to be utilized will be a structured questionnaire. The sample size will be 384 employees across the cadres of the County Government. The data will be interpreted, analyzed using standard deviation and the linear regression analysis model and then presented using tables, charts and graphs.

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Introduction
Research by Deloitte & Touche shows that culture, engagement, and employee retention are now the top talent challenges facing leaders. This can be explained by the fact that as the economies grow, employees have more bargaining power than ever before. Courtesy of social websites like LinkedIn Glassdoor, and Indeed, a company's employment brand is now public information and if it is not a great place to work, people find out fast. This shifts power into the hands of job-seekers.

The world has arrived at a point of “haves” and “have-nots” when it comes to attracting and engaging top talent, as a result of organizational culture.

Examples include the following: one of the world’s biggest industrial manufacturers on the east coast of America, lamented losing top aerospace engineers to Google. They are scratching their heads to figure out how to prevent more top engineers from leaving. A large well-known Silicon Valley company is considering a major facelift of its corporate campus to attract young people. This is because, there is a war to build the "best workplace in the world" - free food, unlimited vacation, yoga classes, beer bashes, and bright open offices everywhere, also as evidenced by Google's new space age campus design. Most financial services companies in the world are struggling to hire top people too. While the industry is still popular with MBAs, the Global recession damaged the reputation for this industry and it's just starting to recover.

Hence, globally today, Companies that focus on culture are becoming icons for best talent in human capital for instance. Fortune’s Best Companies happen to be many of the same companies listed in Glassdoor's Best Places to Work and also LinkedIn's Most In-Demand Employers. This shows that companies with strong positive cultures (Fortune and Glassdoor's list is based on employee surveys) are now the most in demand. So the “culture winners” are winning bigger. Younger companies that focus on culture see a huge payoff. HubSpot, a growing New England tech firm focused on its culture and it employs around 1,000 employees, and has its rating (by Glassdoor) far above the industry average. They give their staff free books and education and believe so strongly in transparency that they post their board meeting notes and culture manifesto online.

Netflix’s culture manifesto "freedom with responsibility" is one of the most popular documents on the internet, with over eleven million viewers.

Value statements have popped up as part or organizations cultural values focus. On innovation, Google has its 10 "truths" (focus on the user is one), RW Baird has its "unique culture," LinkedIn is in the "human service" business and calls itself a "tribe, Salesforce focuses on giving to the community, among others. In the US, Traditional companies like Aetna are now heavily focused on culture.

The concept of organization culture was first propagated in early 1980s, and its origin can be traced back to the early human relation view of the organization that originated in 1940s. But the focus on organization culture lost ground to organizational science and social science. However, when organizational science and social science became increasingly quantitative, organization culture gained more attention and its focus shifted to measurable aspects such as employee’s attitudes and perception or observable organizational conditions thought to correspond to employee’s perception.
This renewed interest in organizational culture in late 1970s, changed the notion in research on the theory of organizational culture to a more complex approach and in process it sparked off the production of four seminal books: Ouchi’s (1981) Theory Z: How American Business Can Meet Japanese Challenge, Pascale and Athos’s (1982) The Art of Japanese Management: Applications for American Executives, Deal and Kennedy’s (1982) Corporate Culture: The Rites and Rituals of Corporate Life, Peters and Waterman’s (1982) In Search of Excellence: Lessons from America’s Best Run Companies. The four authors strongly recommended that corporate culture was key to organization performance and that culture could be managed to improve a company’s competitive advantages. This analysis of organizational culture literature made it clear that (1) Clan Culture achieves unity and success depends on substantiality on sensitivity to customers, and concerns for people (2) Bureaucratic Culture is concerned about predictability, efficiency and stability. The members of an organization value standardized goods and services and the manager’s role is to coordinate, organize and enforce written rules and standards. (3) Competitiveness Culture; values and norms are significant in achieving measurable and demanding financial and market-based goals (4) Innovative Culture fosters growth, and individuals that come up with new ideas and unique products are rewarded. These cultures have been considered as important elements that guarantee success in the modern business world.

Although it appears that cultural resemblance that are associated with the concept of “strong cultures” (Stokes, 2011) promotes integration and success, there is empirical evidence that proposes that cultural differences can also have a progressive impact in terms of synergizing and possible realization of value creation in organization performance (Cartwright & Cooper, 2001),( Schraeder & Self, 2003), (Teerikangas, 2006)

Today, organizations work in an environment that constantly changes and it is very hard to predict these changes. Resultantly the organizations spend a lot of resources over the changes so as to achieve high performance. Indeed, at this time, achieving performance excellence through traditional methods of management is not possible, and organizations are forced to use the new managerial approaches (Taslimi, 2015). Therefore, to achieve high performance in an organization, it is necessary to identify the factors affecting organizational performance. In this regard, studies have revealed that among the factors that can be effective on organizational performance are the company’s organizational culture and employee’s organizational commitment (Irefin & Mechanic, 2014).

Organization culture has been defined by various authors simply as the personality of an organization. It has been defined as “a system of shared meaning held by members, distinguishing the organization from other organization”. (Martins & Martins, 2003) Organizational culture is directly connected with effectiveness and performance of the organization that is why many are of the view that – the stronger the organizational culture, the more effective an organization. Organizational culture has the potential to enhance organizational performance, individual satisfaction, and a variety of expectations, attitudes, and behaviors in organizations. But, for this to be realized the organization’s culture has to be aligned with expectations of internal and/or external stakeholders, otherwise the organization’s effectiveness can easily decline. Ignoring culture has been the major undoing in many organizations desiring to improve their performance. Culture consists of assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Once goals are defined, it is necessary to address the type of culture that is necessary to advance these goals and objectives and ensure that successful implementation of the necessary changes. The main source of organizational culture According to (Schein, 2011) is the organization leadership. The organizational leadership refers to individuals in organization that have great influence in creation of organization’s early culture. These early founders tend to impose their beliefs and values on other organization’s participants. The founders follow the following ways; Firstly they appoint and keep employees who think and feel the way they do, Secondly, they brainwash and socialize these individuals to their way of thinking and finally the founders own behavior act as a role model that encourages employees to identify with them hence internalizing their beliefs, values and assumptions. Due to increase in competition globally, mergers and acquisitions, the organization culture has become more important than it was in past (Schein, 2011), and this has been attributed to creation of cultures that fosters commitment to corporate philosophy and values and control mechanism for employees behavior and impressing certain cultural types that produces greater effectiveness and productivity in organization.

Organizational culture is the set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace (Schein, 2011). These shared values have strong inspiration on the employees in the organization and dictates how they perform their work. Organizational culture has four functions: gives members a sense of identity, increases their commitment, reinforces organizational values, and serves as a control mechanism for shaping behavior (Nelson & Quick, 2011). However, every organization requires developing its own unique culture to provide guidelines and boundaries for the behavior of all employees, where employees make judgment on the values their organization places and adjust their behavior to match this perceived set of values.

Organizational Performance

Performance is a broader indicator that can include productivity, quality, consistency, and so forth. On the other hand, performance measures can include results, behaviors (criterion-based) and relative (normative) measures, education and training concepts and instruments, including management development and leadership training for building necessary skills and attitudes of performance management (Richard, 2002).

Undoubtedly the organization’s performance is a function of the potential return to the inculcation of strong culture into the organization’s systems enabling it to execute its routines.

Taveta County Government

The County Government Act 2012, gives effect to Chapter Eleven of the Constitution of Kenya 2010 and ascribes to the following: To provide for County Governments’ powers, functions and responsibilities to deliver services and for connected purposes. The Kenya Vision 2030 blueprint and the resultant second medium term plan places significant emphasis on CIDP as a Strategic framework for the development of Counties.
On the onset of the devolution, the County government came up with the following as the Vision and Mission statements; “A prosperous County that supports modern quality life for her people” for the Vision. The Mission is “To promote an integrated approach to development, sustainable management of the environment and exploitation of natural resources for the sole purpose of driving cultural, political, social and economic development through appropriate technology for the benefit of the citizens. The core values are Servant and transformational Leadership, Integrity, Accountability and Transparency, Equality, Inclusion and Respect for diversity, Team work, Professionalism.

Taita Taveta County is one of the six counties in the Coastal region of Kenya. It is located approximately 200 Km northwest of the coastal city of Mombasa and 360 Km southeast of Nairobi, the capital city of Kenya. It borders Tana River, Kitui and Makuenci Counties to the north, Kwale and Kilifi Counties to the East, Kajiado County to the North-west, and the Republic of Tanzania to the South and South-west. The County covers an area of 17,084.1 Km2 and lies between latitude between 20 46/ South and 40 10/ South and longitude 370 36/ East and 300 14/ East.

Heralded as the great compromise of Kenya’s new (2010) Constitution, devolution was one of the hallmarks of the transition from a previously centralized political system, which was largely blamed for vast inequality, exclusion and deep divisions in Kenyan society. A number of key steps have been taken as part of the constitutionally prescribed three year roll-out plan for devolved government. The passage, in Kenya, in 2012 of devolution-related legislation, followed by general elections in March 2013 that established a new governance structure that brought about the County Governments.

The primary objective of devolution was and still remains to delegate power, transfer resources, and provide for extensive representation down to the local level. Therefore, the greatest expectation in the hearts and minds of many Kenyans was to regularly participate in their own governance in order to deliver the promise of faster development and access to basic amenities and services. Indeed, the citizens also expected County governments to also take cue from the concept of devolution and the aspirations of Kenyans, so that, unlike the National Government Public service that was considered to be lethargic, rigid, unresponsive to the requirements of the customers, County Governments, were expected to strive to reform its structures, systems, and processes to adequately acquire to the expectations and aspirations of Kenyans. Unfortunately, most county governments and with no exception of Taita Taveta, the Corporate or organizational culture was found to be imitating the olden civil service. Therein lay the problem.

In an organization, lack of effective organizational culture and poor cultural integration can affect organizational performance and decrease shareholders returns (Idris et al., 2015). Eaton and Kilby (2015) indicated that 72% of corporate leaders acknowledged the importance of organizational culture to organizational performance but only 25% identified an effective organizational culture for their organization. The general business problem was some company managers lack an effective organizational culture, which often results in poor performance and loss of productivity within the organization. (Eaton & Kilby, 2015; Viegas-Pires, 2013). The specific organizational problem was that some senior company managers lack strategies to establish an effective organizational culture to improve performance (Hirsch, 2015).

Culture is dynamic and tends to react to environmental changes over time. In the present day rapidly-changing business environment, where the society plays a great role in the success of an organization’s strategy, it becomes imperative that an organization comes up with a strategy that will not be resisted in totality by the society or if there is resistance, then the level of resistance should not curtail in total the implementation of the Overall strategy.

Specific Objectives
1. To investigate the effects of the Clan Culture in the performance of the County Government of Taita Taveta.
2. To determine the effects of the Bureaucratic (hierarchical) Culture in the Organizational Performance of the County Government of Taita Taveta.
3. To examine the effects of the Competitiveness (market) Culture in the Organizational Performance of the County Government of Taita Taveta.
4. To establish the effect of culture of innovation (adhocracy) in Organizational performance of the County Government of Taita Taveta.

Related Literature
Theoretical Framework
This chapter explains the theories and empirical evidence that are related to the area of study, to reveal the literature that is applicable in determination of the study conclusion and their relationships in relation to this proposal. The theories discussed include: Schein’s theory, theory of performance (ToP) and Open-book Management theory (OBM).

Schein’s Theory of Organizational Culture
Schein's model of organizational culture is not only one of the most cited culture models but also one that serves as a reference for the reduction of abstraction and complexity. It mainly consists of three domains: basic underlying assumptions, espoused values, and artifacts. She distinguishes between observable and unobservable elements of culture. If therefore becomes clear that there is a certain hierarchy between these domains. Visible Behavior influences is influenced by unobservable assumptions through rules, and inculcated stand.

Artifacts are the superficial level of an organizational culture, tangible, easily seen and felt manifestations such as products, physical environment, language, technology, clothing, myths and stories, published values, rituals and ceremonies, etc. Beliefs and values are the next level of organizational culture, including strategies, goals, shared perceptions, shared assumptions, norms, beliefs and values instilled by founders and leaders. Basic underlying assumptions are the base level of organizational culture, and are also the deeply-embedded, unconscious, taken for granted assumptions that are shared with others. Any challenge of these assumptions will result in anxiety and defensiveness. The most visible symbols should not be the only aspects used to interpret culture, due to the ease with which they can be misinterpreted. One should not therefore only focus on the visible aspects only lest the underlying aspects are missed out. Similarly, it is important to recognize that even espoused beliefs and values may only reflect the aspirations of a culture, and not the actuality.

Theories on Performance
This theory is centered on six fundamental concepts which forms a framework used to describe performance and improvement in performance. The theory states that
performance consists of both a behavioral and outcome aspect that forms a series of actions to integrate skills and knowledge to produce valuable results. This confirms that to perform is indeed to produce valued results either tangible or intangible by an individual employees or group of people that engages themselves in a collaborative effort. However, perform concept and performance requirements continue to undergo changes (Igen & Palakos, 1999). The organization needs highly performing individuals to meet their goals, to deliver the products and services they specialize in and finally to achieve competitive advantage. Developing performance is a journey, and level of performance describes location in the journey. Current level of performance depends holistically on six components: context, level of knowledge, levels of skills, level of identity, personal factors, and fixed factors. Three axioms are proposed for effective performance improvements. These involve a performer’s mindset that is actions that engage positive emotions for instance setting challenging goals, allowing failure as a natural part of attaining high performance, immersion that is engaging a physical, social, and intellectual environment that elevate performance and stimulate personal as well as professional development, and lastly engagement in reflective practice, which involves actions that help employees pay attention and learn from experiences i.e. observing of performance, noting achievements, analyzing strengths and areas where one needs improvements and improving level of knowledge. From various research strands, it has been stated that organization with proactive culture that stimulates risk taking activities and creativity is said to be superior to an organization that do not have this culture. This is due to the fact that such organizations can develop more and better differentiated innovation more rapidly than their competitors.

The theory of Open-Book Management (OBM) states “The best, most efficient, most profitable way to operate a business is to give everybody in the company a voice in saying how the company is run and a stake in the financial outcome, good or bad”. (Stack, 2003) The open book management theory is revolutionary because conventional business operates under two assumptions. These are; “a job must be defined as narrowly as possible and that workers need close direct supervision” (Case, 2003).

Changes in the organizational and social environment have prompted changes in the approach to management. Open-book management style is a way of running an organization that gets everyone to focus on helping the business make money, or meet the organizational goals. Further Open-book management takes that trendy new management ideas- empowerment, TQM, teams and gives them business logic. (Case, 2003) In an Open-book company employees understand why they are being called to solve problems, cut costs, reduce defects, and hire the customer better service.

In Open-book management there are three essential differences to a conventional business. Every employee sees and learns to understand the company’s financials, along with all the other numbers that are critical to tracking the organizational performance. Secondly, employees learn that, whatever else they do, part of their job is to move those numbers in the right direction and finally, employees have a direct stake in the company’s success. (Case, 2003).

**Conceptual Framework**

In the conceptual framework, the performance of the County Government of Taita Taveta is the dependent variable while the Clan Culture, Innovation Culture, Bureaucratic Culture and the culture of competitiveness are the independent variables. The dependent variable is the variable which is measured and it is the one that is usually affected. The independent variable is the variable that stands alone and is not changed or affected by other variables being measured.

**Independent Variable**

![Figure 2.1. The conceptual framework.](image)

**Organizational Culture**

Organizational culture can be defined as “a system of shared meaning held by members, distinguishing the organization from other organizations”. (Martins & Martins, 2003) Organizational culture is the distinctive norms, beliefs, principles and ways of behaving (Arnold, 2005,) or, the appropriate behavior or actions within the organization (Kipkemboi & Mugambi, 2014). The above definitions point to the fact that organizational culture distinguishes one organization from another.

Connecting with the above definitions, (Schein, 2011) also defines organizational culture as “a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. This description highlights that organizational culture is created assumptions, which are accepted as a way of doing things and are passed on to new members of an organization. This could be a strategic asset for the organization in that it increases the adaptability and fits between an organization and its environment. Members continuously interpret aspects of their work environment and these interpretations, as well as the ways in which they are enacted, form the culture of the organization. Organizational culture has been defined as patterns of shared values and beliefs. Over time which produces behavioral norms that are adopted in solving problems (Schein, 2010) & (Nickson, 2007) suggested that a number of different aspects or elements of culture had been identified and all of these various aspects were useful in attempts to study organizational culture. They included: material objects; corporate architecture and corporate identity; symbols;
language; metaphors; stories; myths; heroes; ceremonies, rites and rituals; norms of behavior; values, beliefs and attitudes; basic assumptions; ethical codes and history. These cultural aspects of organization are the fabric or glue of the organization. The importance of balance in the cultural aspects of an organization is considered critical in achieving sustainability in performance (Chrisman, Chua, Kellermanns & Chang, 2007).

A key theme that runs through the various aspects of an organization’s culture is the extent to which they may be manifest or visible. (Schein, 2010) offered a well-known model which described three levels of cultural phenomenon in organizations: artifacts, espoused beliefs and values and the basic underlying assumptions. The first level consists of artifacts that construct the physical and social environment of the organization. This level is the most superficial manifestation of culture and includes things like corporate logos, dress codes and written and spoken language used in the organization. The second level is concerned with espoused beliefs and values, which become prominent in the manner in which individual organizational members justify their actions and behavior. The last level is the most fundamental and relates to basic underlying assumptions which impact on how organizational members perceive, think and feel. In the development of organizational culture power is of great importance. Power is one of the most typical and important components of organization development. It is exercised by the leaders of the organization. In case the manager of an organization lacks power, he/she has no rights and without rights there can be no submitting to discipline; without submitting to discipline there can be no order (Kirsipuu, 2011).

The organizational leader is considered vital in the creation, maintenance, and leveraging of organizational culture with this particularly being true of small, family firms. (Gold & Thorpe, 2010). Human-resource based contingency styles of leadership are considered to play an important role in shaping an adaptive organizational culture (Ghobadian & O’Regan, 2006); from these styles the path-goal theory of leadership is regarded as especially apt at dealing with diverse groups and building group cohesion (Dixon & Hart, 2010).

Clan Culture

The clan culture is full of shared values and common goals, an atmosphere of collectivity and mutual help, and an emphasis on empowerment and employee involvement. A kind of organizational culture where the sense of “family” strongly exists. Teamwork is emphasized and leader’s role is as a mentor. The organization’s focus is to maintain its stability. Loyalty, cohesiveness and participation are highly regarded in setting the criteria of success.

Bureaucratic Culture (Hierarchical)

A clear organizational structure is the distinction of the hierarchical culture, standardized rules and procedures, strict control, and well defined responsibilities. In this culture, the domination of rule, system and procedure is paramount. This culture perpetuates that stability inside the organization is a prime orientation which should be maintained through a set of fixed and tight rules like codes of conduct. In this culture the behavior of employees is controlled by formal rules and standard operating procedures. Success criteria are based on how far the individuals can do their tasks correctly based on the procedure and in the same time able to maintain the stability in the system.

The Innovation Culture (Adhocracy)

The adhocracy culture is like a temporary institution, which is dismissed whenever the organizational tasks are ended, and reloaded rapidly whenever new tasks emerge. Adhocracy is an organizational culture which gives a lot more opportunity for individuals to develop in their own way, as long as they are consistent with the organization goals. Leaders are characterized as entrepreneurs who are driven by innovation and findings of new ideas. Organization’s focus is to gain opportunity as much as it can be from the external environment. The innovation culture is conceptualized in literature in many ways as either output or process. Most of the definitions of innovation culture are expressed by new idea or behavior. In the literature, there are different types of innovation. Adaptation of types of innovation that facilitate the organizations’ adaptation process in time and affect the organizational performance However, the most widely accepted types of innovation culture are technological innovation and administrative innovation. (Damapour, 1991.), Technological innovation refers to new processes, new products or services while administrative innovation refers to new procedures, policies and administrative structures (Dewarand & Dutton, 1986). Innovation helps a company to cope with company’s complex external environment as one of the basic elements of long-term success for developing in dynamic markets and for developing the business (Baker & Sinkula, 2002.) (Darrochand & McNauton, 2002), (Lyon & Ferrer, 2002) & (Scherer, 1992).

In the organizations which have Schumpeterian opinions, in order to survive, they need to cope with rapid changes and increasing complexity. Thus, innovative companies can develop new products faster than non-innovative companies and they can be pioneers for taking advantage of market opportunities and accordingly resulting in increased organizational performance (Brown & Eisenhard, 1995). As a result of the development of competitive environments, innovation is the major determinant of company performance (Bueno & Ordofiez, 2004). Innovation can provide higher production efficiency with increased market share, higher productivity growth and rising income. (Shefer & Frenkel, 2005). It can also increase financial performance as a result of creating a large variety of differentiated products. In the majority of empirical studies, there is a proven the positive relationship between innovation and performance.

The Market Culture (Competitiveness)

This culture concentrates on the transactions with the environment outside the organization instead of on the internal management. The organizational goal is to earn profits or increase revenue generation from the target market. Market culture is a type of culture which stresses on the effectiveness on goal achieving. Competition is a common condition among individuals in order to develop them, which cause less flexibility in personal relationship. Criteria of success are based upon target achievements by individuals, which usually conducted from activities that connect the organization with its market or stakeholders (external parties). The organizations with market centered culture usually tend to emphasize on, sales growth, profitability and market share. In this culture values and norms echoes the importance of realizing measurable and demanding financial goals. In this culture the relationship between the organization and employees is contractual and individual employees are...
Performance refers to the degree of achievement of the mission at work place that builds up the institution. Different researchers have different thoughts about performance. Mostly researcher’s used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996). Performance is a continuous process and also a controversial issue between organizational researchers. Organizational performance does not only mean to define the problem but it also, the solution of the problem. Organizational performance is the organization’s capability to accomplish its goals effectively and efficiently use resources. Achieving organizational goals and objectives is known as organizational performance. (Ricardo ,2001) also suggested that an organization’s success shows high returns on equity and this becomes possible due to the establishment of a good employees performance management system.

**Organizational Performance**

Performance measures, Measurement and management

Since accountability for performance has become increasingly critical in government and its institutions in Kenya today, it is necessary for any organization like TTCG to understand the key drivers behind its performance and demonstrate the results of its work. Performance measures are designed to measure systems and services and derived laid out guidelines. Data that is defined into specific measurable elements provides an organization with a meter to measure the quantity and sometimes quality of its output. Performance measurement on the other hand is a process by which an organization monitors important aspects of its programs, systems, and processes. In this context, performance measurement includes the operational processes used to collect data necessary for the performance measures. And finally, performance management is a forward-looking process used to set goals and regularly check progress toward achieving those goals. In practice, an organization sets goals, looks at the actual data for its performance measures, and acts on results to improve the performance toward its goals. One way to design a well-balanced performance management system is to focus on four strategic perspectives derived from the balanced scorecard model developed by Kaplan & Norton. The balanced scorecard is a performance management tool that measure whether smaller-scale operational activities are aligned with larger-scale objectives in terms of vision and strategy. The example depicted below shows that focusing on financial outcomes plus the operational aspects of a program or organization, the Balanced Scorecard helps provide a more comprehensive view, which in turn helps an organization act in its best long-term interests.

**The Learning and Growth perspective**

This perspective includes employee training and corporate cultural attitudes related to both individual and corporate self-improvement. In a knowledge-worker organization, recognizing people the only repository of knowledge are the main resource. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode.

**The Business Process Perspective**

This perspective refers to internal business processes. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements (the mission). These metrics have to be carefully designed by those who know these processes most intimately; with our unique missions these are not something that can be developed by outside consultants.

**Financial Perspective**

Financial Perspective

Kaplan and Norton do not disregard the traditional need for financial data. Timely and accurate funding data will always be a priority, and managers will do whatever necessary to provide it. In fact, often there is more than enough handling and processing of financial data. With the implementation of a corporate database, it is hoped that more of the processing can be centralized and automated. But the point is that the current emphasis on financials leads to the “unbalanced” situation with regard to other perspectives.

**Relationship between organizational culture and organizational performance**

Organizational culture (OC) is increasingly being appreciated as a predictive and explanatory construct in organization science so much so that where; if managed and controlled is useful as a management tool for organizational effectiveness and performance. This research seeks to build into this area of study. (A.Rashid, Sambasivan & Johari, 2003) argue that several researches have been conducted to identify the nature and type of OC in organizations with a view to eliciting the key values, beliefs, and norms in an organization that have given much impetus to the success and superior performance of the organization. To elicit some of these researches and their successes in establishing relationship between OC and performance require that the concept of OC be understood first. Culture involves beliefs, values and behavior which exist at various levels and manifest in a wide range of characteristics of organizational life. Included is the wide range of organizational life where culture manifests itself is performance. Therefore, OC is important to organizational success, as regards its performance. Performance Success can be regarded as a construct with differing areas as components, assert that OC seems to be a critical factor in the success of any organization with particular emphasis on creativity and innovation. This indicates that organizational culture affects the way creative and innovative solutions are encouraged. Knowledge is considered the one and only distinct resource crucial to sustenance of organizational competitive advantage. The negative influence is an indication that the contribution of culture to organizations could not only be positive. For example a strong OC is a potential stumbling block to organizational change. Job satisfaction and commitment are recognized as variables that can majorly determine organization performance.
Methodology

A research design was defined by (Kothari, 2011) as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to purpose with the economy in procedure. A research design "specifies the objectives of the study, methodology and techniques to be adopted for achieving the objective". The study used descriptive research design. According to given (Mugenda & Mugenda, 2008), a descriptive research is one which provides a detailed account of a social setting, a group of people, a community, a situation, or some other phenomena. The researcher chose this design because the researcher wants to describe and ascertain the characteristics of the variables. The researcher also wants to get a profile of the organizational culture on organizational performance. The research will target senior management, Middle managers and lower cadre staff of Taita Taveta County government.

The study will be conducted in Taita Taveta and the target population will be 1,513 county employees

The researcher will select a sample of 384 respondents from the different segments of the larger population. Stratified sampling technique will be applied in order to obtain a representative sample. Under stratified sampling the population will be divided into several sub-populations that are individually more homogeneous than the total population. The population will be divided into three strata consisting of senior management, Middle managers, and lower cadre staff.

This study will employ purposive sampling technique. This type of sampling is convenient and is relatively inexpensive. This design will be adopted because of the relative advantage of time and money inherent in this method of sampling (Mugenda & Mugenda, 2013)

The linear regression analysis model will be utilized and the regression equation for this study will be:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon \]

Where:

- \( Y \) = the organizational performance of Taita Taveta County Government,
- \( \beta_0 \) = Constant term indicating the level of performance in the absence of any independent variables
- \( \beta_1, \beta_2, \beta_3 \) and \( \beta_4 \) are the coefficient functions of the independent variables

The study sought to determine the effect of bureaucratic culture and performance of TTCG. Respondents were asked to give their views as indicated below.

From table 4.1 on a scale of 1 to 5 (where 5 = strongly agree and 1 = strongly disagree) majority of the respondents were of the view that, the organization has ethical code of conduct enabling employees know what to do and what not to do (mean=3.57). This is in agreement with (Nelson & Quick, 2011) that organization culture servers as a control mechanism in shaping behavior of employees and influences the way they think. All the respondents agreed to the statements, there is clear and consistent set of values that governs the operations at TTCG (mean = 4.21). They further agreed that employees from different parts of the country work in harmony to achieve organization mission, vision and goal (mean= 4.13). This is in line with (Dixon & Hart, 2010) path-goal theory on building group cohesion that work towards achieving organizations objectives. Majority of the respondents also agreed to the statement that the working environment at TTCG is conducive for employees to work (mean= 3.99). When asked if employees at TTCG are loyal and meet their targets at work, majority of the respondents agree to the statement (mean=3.98), respondents also further agreed that Team work is encouraged at TTCG (mean= 3.82).

Bureaucratic Culture

It was further important to investigate the effect of Bureaucratic Culture on performance of TTCG. Respondents were asked the relationship between bureaucratic culture and performance and their response is as bellow.

The study sought to determine the effect of bureaucratic culture on performance of TTCG. Using a scale of 1-5 where (5=strongly agree and 1=strongly disagree) all respondents agreed to the statements that all employees are aware of the hierarchical culture of TTCG (mean= 4.12), that employees

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<thead>
<tr>
<th>Table 4.1. Clan Culture.</th>
<th>N</th>
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<th>Maximum</th>
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<tbody>
<tr>
<td>The organization has ethical code of conduct enabling employees know what to do and what not to do</td>
<td>363</td>
<td>3</td>
<td>5</td>
<td>3.57</td>
<td>5.64</td>
</tr>
<tr>
<td>There is clear and consistent set of values that governs the operations at TTCG</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>4.21</td>
<td>6.40</td>
</tr>
<tr>
<td>Employees from different parts of the country work in harmony to achieve organization mission, vision and goal</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>4.13</td>
<td>8.21</td>
</tr>
<tr>
<td>The working environment at TTCG is conducive for employees</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>3.99</td>
<td>7.30</td>
</tr>
<tr>
<td>Employees at TTCG are loyal and meet their targets at work</td>
<td>363</td>
<td>3</td>
<td>5</td>
<td>3.98</td>
<td>6.73</td>
</tr>
<tr>
<td>Team work is encouraged at TTCG</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>3.82</td>
<td>6.73</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>363</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4.2. Bureaucratic Culture.</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees are aware of the hierarchical culture of TTCG</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>4.12</td>
<td>7.60</td>
</tr>
<tr>
<td>Employees know well our objectives and strategy</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>4.16</td>
<td>7.90</td>
</tr>
<tr>
<td>The way information is shared contributes to the success of the organization</td>
<td>363</td>
<td>3</td>
<td>5</td>
<td>3.65</td>
<td>6.32</td>
</tr>
<tr>
<td>The methods of communication add value to the performance of TTCG</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>4.08</td>
<td>7.20</td>
</tr>
<tr>
<td>Time frames that pertain to key milestones in performance are well adhered to</td>
<td>363</td>
<td>2</td>
<td>5</td>
<td>4.09</td>
<td>9.04</td>
</tr>
<tr>
<td>A Bureaucratic culture leads to the high levels of achievement of organizational goals</td>
<td>363</td>
<td>1</td>
<td>5</td>
<td>4.70</td>
<td>6.09</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>363</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
know well our objectives and strategy (mean= 4.16), that the way information is shared contributes to the success of the organization (mean=3.65), that the methods of communication add value to the performance of TTCG (mean= 4.08) and that time frames that pertain to key milestones in performance are well adhered to (mean= 4.09). They further strongly agreed to the statement that a bureaucratic culture leads to the high levels of achievement of organizational goals (mean= 4.70).

**Competitive (Market) Culture**

The researcher sought to identify the effect of competitive (market) culture on performance of TTCG. Some of the reasons advanced were that the County government does not do business but aim at service the residents. However it was noted that in order to generate income and earn revenue for sustainability county governments need to engage in business and innovative revenue generating activities. Respondents were asked to give their view regarding effect of competitive (market) culture and performance of county government and their response was as bellow

As illustrated in table 4.7 above, the results indicates that majority of the respondents were of the agreed that a market culture has assisted TTCG in decisiveness and planning (mean= 3.85), Respondents further agreed that TTCG has dialogues with stakeholders at all times (mean= 3.90) thus increasing flexibility. Respondents also agreed that market share leads to organizational goal achieving strategies (mean=3.67). Majority of the respondents agreed to the statement that market culture leads to high levels of achievement of organizational goals (mean= 3.76).

This is in agreement with Schau et al (2009) who argues that practices drive one another and work together as a process of collective value creation in an organization to achieve its goals. The respondents were further asked if TTCGs approach of doing business is very consistent and predictable (mean= 3.64). However, respondents disagreed to the statement that completion at work has been encouraged to help employees develop (mean=2.35).

**Culture of innovation**

The research further sought to identify the relationship between culture of innovation and performance of TTCG. Respondents were asked to give their view and the findings are as bellow

The study sought to identify the effect of culture of innovation on performance of TTCG. In a scale of 1-5 where (5=strongly agree and 1=strongly disagree) all respondents agreed to the statements that their individual initiative is fully appreciated and often rewarded (mean= 4.03), that the Institution is ready and alert in case of emergencies (mean= 4.08). They further agreed that TTCG is adaptive to new ideas (mean= 3.56), that an innovative culture leads to the high levels of achievement of organizational goals (mean=4.20), that innovation has led to new product development in the over the past four year (mean= 3.84) and that innovation has opened new avenues to service provision at the county leaves (mean= 4.78).

**Performance of the County Government**

In order to identify the performance of the county government of TaitaTaveta, the researcher asked respondents to give their views on what leads to performance of County government of TaitaTaveta. The response is as bellow.

The finding above indicates that all respondents agreed to the statement that the organizational culture of TTCG contributes to its success (mean=4.15), that TTCGs culture has showed improved effectiveness in service delivery (mean= 3.78). They also agreed that the culture at TTCG has led to reduced level of customer complaints due to high levels of customer satisfaction (mean= 3.93).

<table>
<thead>
<tr>
<th>Table 4.3. Competitive (market) Culture.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>A market culture has assisted TTCG in decisiveness and planning</td>
</tr>
<tr>
<td>TTCG has dialogues with stakeholders at all times</td>
</tr>
<tr>
<td>Market share leads to organizational goal achieving strategies</td>
</tr>
<tr>
<td>Market Culture leads to high levels of achievement of organizational goals</td>
</tr>
<tr>
<td>TTCGs approach to doing business is very consistent and predictable</td>
</tr>
<tr>
<td>Completion at work has been encouraged to help employees develop</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4.8 Culture of innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>My Individual initiative is fully appreciated and often rewarded</td>
</tr>
<tr>
<td>The Institution is ready and alert in case of emergencies</td>
</tr>
<tr>
<td>TTCG is adaptive to new ideas</td>
</tr>
<tr>
<td>An Innovative culture leads to the high levels of achievement of organizational goals</td>
</tr>
<tr>
<td>Innovation has led to new product development in the over the past four years</td>
</tr>
<tr>
<td>Innovation has opened new avenues to service provision at the county leaves</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4.5. Performance of the County Government.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>The organizational culture of TTCG contributes to its success</td>
</tr>
<tr>
<td>Our organizational elements are important in understanding the organization</td>
</tr>
<tr>
<td>Our organizational elements provide potential levers to effect change in the organization</td>
</tr>
<tr>
<td>TTCGs culture has showed improved effectiveness in service delivery</td>
</tr>
<tr>
<td>The culture at TTCG has led to reduced level of customer complaints due to high levels of customer satisfaction</td>
</tr>
<tr>
<td>Organization culture at TTCG has led to organizational success, thus performance</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>
Respondents strongly agreed that organization culture at TTCG has led to organizational success, thus performance (mean= 4.62). This is in agreement with (Chrisman, Chua, Kellermanns& Chang, 2007) that cultural aspects of an organization are critical in achieving sustainability performance in an organization.

Correlation Analysis

The study used correlation analysis to identify the relationship between variable. Positive correlation means that high values on one are associated with high values on the other, and that low values on one are associated with value scores on the other. Correlation coefficient values which are a numerical value number between 0.0 and 1.0 are used to define correlation. The closer the correlation is to 1.0, the stronger the relation between the two variables.

The study indicates that, Clan Culture has a strong positive effect on performance of County government as shown by a coefficient of 0.460 at significant level of 0.00. The p-value obtained is 0.000 which is less than 0.05. This implies that at 95% confidence level, the positive relationship is statistically significant. As stated in her model, Schein was able to distinguish and demonstrate how observable and unobservable elements of affects performance in an organization.

The correlation between innovative culture and performance of County Government was 0.395 indicating a positive linear relationship with a p-value of 0.000 that is less than 0.05. This implies that at 95% confidence level, the positive relationship is statistically significant. This is in line with Schau et al (2009) that individual skills and abilities are an anatomy of practices that enhances performance.

The correlation between bureaucratic Culture and performance of County Government indicated a coefficient correlation of 0.435 with a P-value of 0.000 which is less than 0.05 and giving a positive relationship between bureaucratic Culture and performance proof County Government. The coefficient of correlation between competitive (Market) culture and performance of County Government was 0.478 also indicating a strong positive linear relationship.

Where the p-value is 0.000 which is < 0.05. This implies that at 95% confidence level, the positive relationship is statistically significant.

Coefficient of Determination

Table 4.8 below indicates an overall P-value of 0.000 which is less than 0.05 (5%). This is an indication that the regression model is significant at the calculated 95% level of significance. Coefficient of determination explains the extent to which changes in the dependent variable (performance of the organization) can be explained by the change in the independent variables. From the findings this meant that 32.1% of variance is attributed to combination of the four independent factors investigated in this study that is, clan culture, bureaucratic culture, competitiveness culture and innovation in organizational while the 67.9% is explained by other factors in the financial industry not studied in this research.

Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model. Statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model has a P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting the effects of organizational culture on organizational performance in the County Government of TaitaTaveta. The ANOVA results indicates that the model was significant at $F = 42.356$, with df=4 where $P = 0.000$. At 95% confidence level the analysis indicates high reliability of the results obtained thus indicating that the study was statistically determined.
The researcher conducted a multiple regression analysis as shown in Table 4.8 to determine the relationship between performance of TaitaTaveta County Government and the four variables investigated in this study. The regression equation was:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where:
- \( Y \) = Performance of County Government
- \( \beta_0 \) = Constant term indicating the level of performance in the absence of any independent variables
- \( \beta_1, \beta_2, \beta_3, \beta_4 \) are the coefficient functions of the independent variables
- \( X_1 \) = Clan culture
- \( X_2 \) = Adhocracy culture
- \( X_3 \) = Bureaucratic culture
- \( X_4 \) = Market culture
- \( \varepsilon \) = Error term of the regression

The study used multiple linear regression to examine the relationship between independent variable and dependent variable. Taking all factors constant at zero, Performance of County Government will be 0.647. The findings analyzed also show that taking all other independent variables at zero; a unit increase in Clan culture will lead to a 0.455 increase in performance of County government in Kenya; a unit decrease in Adhocracy culture will lead to a 0.278 increase in performance of County government in Kenya; a unit increase in bureaucratic culture will lead to a 0.202 increase in performance of County government in Kenya; a unit increase in market culture will lead to a 0.278 increase in performance of County government in Kenya. The study also found out that at confidence level of 95%, clan culture, bureaucratic culture and market culture had a positive and significant effect on performance of County Government in Kenya since they have a P-value that is < 0.5. Adhocracy culture has a negative and insignificant effect on performance of County Government in Kenya with a P-value of 0.330.

The study finally concludes that organizational culture is useful as a management tool for organizational effectiveness and performance and that values, beliefs, and norms gives much impetus to the success and superior performance of the organization. However, the concept of OC has to be understood first because culture involves beliefs, values and behavior which exist at various levels do manifest in a wide range of characteristics of organizational life. This indicates that organizational culture affects the way creative and innovative solutions are encouraged. The negative influence is an indication that the contribution of culture to organizations could not only be positive but also stumbling block to organizational change.

**Recommendations**

The study recommends the following:

**Effects of the Clan Culture in the performance of the County Government of TaitaTaveta**

The study recommends County government of Taita Teveta to adopt clan culture in organization due to its influence in fostering organization performance.

**Effects of the Bureaucratic Culture in the Organizational Performance of the County Government of TaitaTaveta**

The effects of Bureaucratic culture, has it been noted that it is the main factor for organization stability and TCG should have a clear and well understood hierarchical culture by its employees.
Effects of the Competitiveness Culture in the Organizational Performance of the County Government of TaitaTaveta

The aim of the organization is to make profit, the market culture should stress on the effectiveness of achieving this goal. This can be gained through encouraging competitive culture among members.

Effect of culture of innovation in Organizational performance of the County Government of TaitaTaveta.

About the effects of innovation culture the study recommends that TTCG should encourage this culture. Executives, managers have a role to play in endorsing creativity, idea sharing and collaboration and to give more opportunities to individuals develop their skills but consistent to the organizations objectives or goals.

Suggestions for Further Study

The study focused on the effect of organizational culture on performance of TaitaTaveta County Government. The researcher proposes that a study should be carried out on the same but in private sector in Kenya. Since the study aimed at specifically clan culture, bureaucratic culture, competitiveness culture and culture of innovation, this variables are not exhaustive thus further research should look at other elements of organizational culture in different firms.

References


