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ROLE OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE OF COMMERCIAL BANKS IN KENYA: A CASE OF COMMERCIAL BANKS IN VOI SUB COUNTY

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ABSTRACT

The study aimed to assess the role of organizational culture in organizational performance with a specific focus of commercial banks in Voi Sub County. The study used descriptive research design. The study population was 72 respondents (General Managers, assistant managers and credit officers) in the selected commercial banks in Voi Sub County. The researcher used stratified random sampling to select 43 respondents. The main data collection method for the study was questionnaires. The study adopted qualitative data analysis. Data analysis was done with the help of SPSS version 20.0. The study concluded that for performance of firms to improve, present organization culture should be supportive and compatible with intended strategies and day to day running of activities of employees. The study also concluded that the banks implement market culture by putting more emphasis on order, rational production, and goal accomplishment in combination with external interactions with suppliers, customers, subcontractors and competitors. The banks also concentrate more on competitive orientation towards rivals and emphases on achievements on the market place to distinguish the Market from other cultures. The study recommended that commercial banks need to encourage employees to have a sense of identity which increases their commitment to work since to positively influence organizational performance. Focus should be directed at leaders in different capacities as they play the role of coaches in giving general direction, but further encourage individual decision-making to determine the operating details.

Key terms: *Adhocracy Culture, Clan Culture, Hierarchical Culture, Job Satisfaction, Leadership Style, Market Culture, Organizational Culture, Organizational Performance*

INTRODUCTION

Organizational culture is a feeling of shared convictions and qualities (Kornberger & Pitsis, 2010). The way of life of an association was an essential international business strategy invented and grown by the workers of that association when they learned and tackled issues. The key advantage of shared convictions was that it adjusted the goals of the administration and the representatives and henceforth decreased association issues. Thus, shared beliefs led to increased delegation, utility, and effort, decreased data accumulation, experimentation, and influenced activities; and less biased correspondence yet after the merger, the extent to which representatives shared beliefs was lower than that in their particular pre-merger (Van nook Steen, 2010).

According to Zheng & McLean (2010), culture is the sum total of learned beliefs, values and customs that serve to direct the consumer behaviour of members of a particular society. Culture is formed by the leaders of an organization mostly those who have shaped it in the past. According to Mujtaba (2008), It is the "normative glue" that holds an organization together. 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 organization provides a platform for better understanding of the operations of the organization for a better performance. Unfortunately, most often organizational cultural issues are overlooked, while attention is directed towards activities that may have little or no positive effect on performance (Davidson 2013).

Dasanayake & Mahakalanda, (2008) argues that organizational culture forms in response to the need for external adaptation and survival as well as internal integration. External adaptation and survival involve finding a niche to enable the organization to cope with the changing environment. Internal integration entails development of language and concepts, group and team boundaries, power and status as well as rewards and punishment in order to establish and maintain effective working relationships among the members of an organization.

Gallagher & Brown (2007) pointed that the culture of organizations influences what the company does, how it operates, what it focuses on, and how it treats customers, employees, and shareholders expectation. Invariably, the culture of every organization includes the customs, beliefs, norms, morals, ethics and values which are often reproduced and replicated through its language, stories, signs (symbols), rituals and rite. According to Kaufman (2002) a positive organizational culture reinforces the core beliefs and behaviors that a leader desires while weakening the values and actions the leader rejects. A negative culture becomes toxic, poisoning the life of the organization and hindering any future potential for growth. Kotter (2012) asserts that organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving.

Culture sets the boundaries by providing employees with a set of normative rules to regulate certain aspects of their behaviour which gives rise to attitudes, motivations and a sense of shared identity that contributes to organizations' effectiveness (Rollinson, 2005). No change will provide sustainable performance unless an organization's culture and employees are fully prepared and aligned to support that change. Culture is what distinguishes truly high-performing organizations from the rest (Ortiz & Arnborg, 2005). Corporate culture has a significant effect on organizations' long-term sustainability and economic performance. Organizations with a deeply entrenched culture had greater revenue increases, larger workforce expansions, larger increases in share prices, and larger improvements in net income than their counterparts with weaker cultures (Tavitiyaman & Zhang, 2012).

According to Geert & Hofsede (2005) Organizations usually in most cases embrace two levels of culture, namely low power distance culture where employees relate freely with bosses for example in Australia; and high distance power culture where there are boundaries between the bosses and sub ordinates which is evident in Asian countries such as Hong Kong. In these two kinds of environments, the low distance power culture encourages employee creativity where as in the high distance power culture; employees are not required to make mistakes. People will become creative by way of learning and in the process of learning, mistakes are bound to happen and by so doing innovation is born.

The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalised in 1995 and exchange controls lifted. The Companies Act, the Central Bank of Kenya (CBK) Act and the Banking Act are the main regulators and governors of banking Industry in Kenya. These Acts are used together with the prudential guidelines which Central bank of Kenya issues from time to time. In 1995 the exchange controls were lifted after the liberalization of the banking in Kenya.

Central Bank of Kenya is tasked with formulating and implementation of monetary and fiscal policies and it the lender of last resort in Kenya and is the banker to all other banks. The CBK ensures the proper functioning of the Kenyan financial system, the liquidity in the county and the solvency of the Kenya shilling. To address issues that affect the Banking industry in Kenya, banks have come together and formed a forum under the Kenya Bankers Association.

Central bank of Kenya notes that During the period ended June 30, 2015, the Kenyan banking sector comprised 43 commercial banks, 1 mortgage finance company,12 microfinance banks, 8 representative offices of foreign banks,14 money remittance providers, 86 foreign exchange bureaus and3 credit reference bureaus. The Banking Sector registered improved performance in the period ended June 30, 2015, assets increased to KShs 3.6 trillion from KShs 3.0 trillion in June 30, 2014, loans and advances grew to KShs 2.1 trillion compared to KShs 1.7 trillion as at June 30, 2014, the deposit base expanded to KShs 2.6 trillion an increase from KShs 2.1 trillion reported in June 30, 2014 and profit before tax was KShs 76.7 billion compared to KShs 71.0 billion reported in the period ended June 30, 2014 (CBK, 2014).

Research Objectives

- To examine the role of clan culture on the performance of commercial banks in Voi sub county.
- To determine the role of adhocracy culture on the performance of commercial banks in Voi sub county.
- To find out the role of market oriented culture on the performance of commercial banks in Voi Sub County.
- To describe the role of hierarchical culture on the performance of commercial banks in Voi sub county.

LITERATURE REVIEW

Theoretical Framework

Dynamic Capabilities Theory

Dynamic capabilities theory explains how organizations acquire and deploy resources according to the market environment to achieve superior organizational functioning and success (Teece *et al*., 1997). Dynamic capabilities as proposed theory in this framework, are what HEI need to concentrate on the main competencies and how the purpose of management builds, changes and adapts to the changing forces that could bear on the competencies and how these the HEI's capabilities can operate round the changing elements of the business environment. It is also provides the fundamental organizational processes that facilitate HEI to be advanced within the whole system. Organizations fail to sustain their business and performance through the changing market and technologies. Organizations need to maintain their competitive advantage, therefore, they would have to make do, influence and adjust their competencies and assets in society to reach and maintain their competitive advantage (Wang & Ahmed, 2007).

Culture can affect different aspects of the organization's dynamic capabilities such as its innovation, employee's involvement, its openness to change, teamwork, morale, customer service and trust. Culture creates the basis for the company's employees; it is also created by staff not company itself. The organization will only provide objective, mission and goals, but the workers will develop the culture and how to manage and achieve the objectives. Organizational culture plays a big role in the company's strategic direction, goals, tasks, decisions, communication and cooperation. Some organizations will form their OC based on creativity and innovation to ensure their sustainability. However, OC affects the ability to increase innovation dynamics that influence the behavior or structure of a firm (Wang & Ahmed, 2007).

This theory was considered appropriate in guiding this study because it encourages banks to achieve a sustainable OC, management should generate values that encourage creativity for example, encouraging staff to come forward with new ideas and not to be afraid of stepping up to different tasks. Introducing a more open communication policy the banks allows the employees to feel comfortable with one another while sharing their ideas, knowledge and opinions in order to gain new views and outlooks; this supports the idea of creating a creative and innovative based culture which leads to improvement in the banks performance.

Exchange Theory

Exchange theory is based on the assumption that commitment occurs as a result of contribution/encouragement transactions between the employee and the organization (Cropanzano, Prehar & Chen, 2003). Exchange theory explains these transactions as psychological contracts. In contrast to a legal contract, a psychological contract is an unwritten agreement between the employee and the organization that specifies what they expect to give and receive from each other (Ivancevich, 2010).

Exchange theory presumes that the relationship between the organization and the employee involves social and economic exchange (Kim & Rowley, 2005). Social exchange refers to voluntary actions which may result from an organization's treatment of its employees in exchange for an expected obligation on employees to reciprocate fair treatment of the organization. On the other hand, economic exchange refers to the provision of economic benefits in return for employees' effort and is often outlined in formal and legally enforceable contracts (Gould-Williams & Davies, 2005).

Based on exchange theory, employees join organizations with the expectation that they can find a work environment in which they can utilize their knowledge and skills to achieve their goals and desires. As a result, employees' perceptions of favorable exchange relationships with their organizations are expected to result in increased organizational commitment. Likewise, the level of an employee's commitment to an organization could increase according to his/her perception of rewards in relation to costs. On the other hand, decreased organizational commitment is likely to be resulted from providing insufficient rewards in exchange for the employee's effort (Haar, 2006).

One of the challenges confronting equity theory concerns how organizations handle inconsistencies in equity that come out when these comparisons are present. For instance, when there is a high disparity in remuneration, those employees who are considered key performers recognize high equity when making self-comparisons as compared to average and low performers who recognize low equity when making social comparisons. However, in some circumstances, the outlays of perceived unfairness among the latter group can outweigh the benefits of perceived equity among the former group (Bloom, 2000). This theory was considered appropriate in guiding this study because it would help to ascertain the conditions under which Kenya commercial bank can create equitable culture for different categories of employees.

Schein's Theory of Organizational Culture

The theory consists of three domains: basic underlying assumptions, espoused values, and artifacts. Artifacts are the surface level of an organizational culture, tangible, easily seen and felt manifestations such products, physical environment, language, technology, clothing, myths and stories, published values, rituals and ceremonies (James & Jones, 2005). Espoused beliefs and values include strategies, goals, shared perceptions, shared assumptions, norms, beliefs and values instilled by founders and leaders.

In Schein's (1988) model, culture exists on three levels: Artifacts - which are difficult to measure; Values –which deal with espoused goals, ideals, norms, standards, and moral principles, and is usually the level that is usually measured through survey questionnaires; and Underlying assumptions - deals with phenomena that remain unexplained when insiders are asked about the values of the organizational culture. The theory also demonstrates that while there is no single type of organizational culture, the organizational cultures may vary widely from one organization to the next, commonalities do exist and there are theories developed to describe different cultures.

Hofstede (1980) demonstrated that there are national and regional cultural groupings that affect behavior of organizations. While O'Reilly, Cardick & Newton (1991, 2005) based their belief on the premise that cultures can be distinguished by values that are reinforced with organizations. Deal & Kennedy (1982) argue that culture is the single most important factor accounting for success or failure of organizations. They identified heroes, rites, rituals and culture networks as four key dimensions of culture. Schein (2005) postulates that organization culture theory is a pattern of shared basic assumptions learned by a group as it solves 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 correct way to perceive, feel and think in relation to the problems.

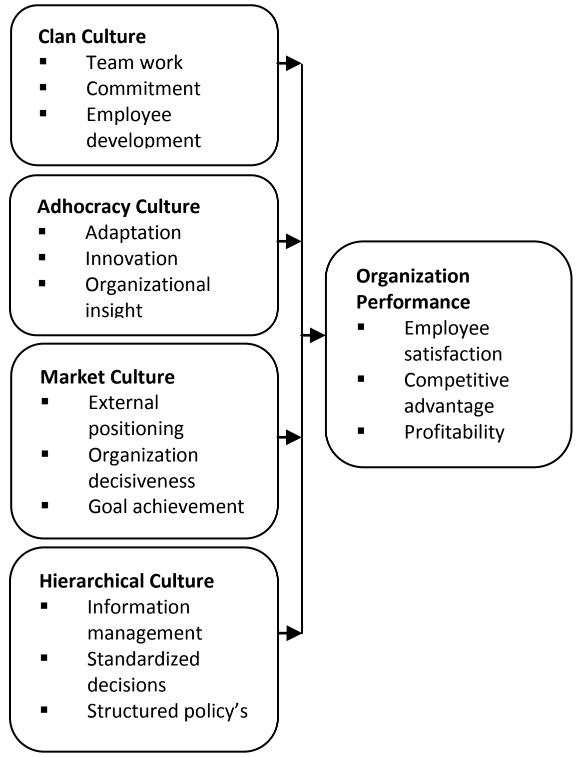
According to James & Jones (2005) basic underlying assumptions are the base level of organizational culture, and are the deeply-embedded, unconscious, taken for granted assumptions that are shared with others. Any challenge of these assumptions will result in anxiety and defensiveness. This theory has been chosen to guide this study because it postulates that the basic underlying assumptions, espoused values and artifacts should be reflected in the banks culture so as to promote organizational performance.

Durkheim's Theory of Culture

This theory was developed by Durkheim (1890). It defines culture as an emergent web of representations, holistically encompassing the deep set value, belief, and symbolic systems of a natural collectivity, such as the tribal societies to which he gave such close attention. The theory argues that an abundance of work in organizational sociology concerns the substance of what the culture concept seems to comprise, even if it takes pains to skirt the label. It is through the culture that an organization influences the tasks and achievement of organizational objectives.

According to Wuthnow & Witten (2008), while subcultures may reinforce integration with the overall organization, they may also provide centers of dissent. Cultural cleavages are likely to occur on occupational, status, or divisional lines. Zheng & McLean, (2010) indicated that the evidence for the existence of subcultures is found in different discursive practices in organizations: in the divergent accounts workers on different organizational levels give of organizational events in specialized language that professionals in some organizations share more fully with colleagues outside the organization than those within it; and in different expressive symbols around which subgroups converge in the production of their collective sense of mission (Zheng & McLean, 2010). This theory was used to study how different organisation cultures affect how employees carry themselves around while undertaking their tasks. Hence their influence on organizational performance.

Conceptual Framework



Dependent variable Independent variable

Figure 1: Conceptual Frame Work

Clan Culture

Cameron (2004) views clan culture as a friendly place with an extended family working together. The clan Culture is characterized with loyalty, morale, commitment, tradition, collaboration, teamwork, participation, Consensus and individual development. Tseng (2010) argued that clan culture emphasizes the long-term benefit of human resources development with high cohesion and morale, but it is also prudent and conservative. It is related to corporate performance yet its impact on corporate performance is not the best, compared to the other dimensions.

Tseng (2010) further argued that firm performance comes from interdependent behavior like cooperation, knowledge sharing, and mutual assistance. Ogbonna & Haris (2000) found no relationship between organizational performance and community cultures. Fekete & Böcskei (2011) reported that clan culture is positively related to financial performance of the firms. Devotedness to the organization, loyalty and tradition are the underlying factors behind this positive relationship. Clan culture displays several characteristics in the workplace that are likely to have positive impact on performance outcomes.

Adhocracy Culture

Adhocracy (creative) is a developmental organizational culture which is based on risk taking, innovation and change Quinn and Spreitzer, (2009). It refers to the culture of an organization in entrepreneurial, flexible, innovative and creative areas with its external-oriented and dynamic structure. Employees can take the initiative, supported with new discoveries and freedoms so they feel satisfied, happy and successful in this environment (Erdem, 2007). Berrio (2003) indicated that organizations, doing business over the internet which is defined as 'new economy', using advanced technology are examples of this culture.

Cameron & Quinn, (2006) indicated that, adhocracy organization may frequently be found in industries such as aerospace, software development, think-tank consulting, and film making. An important challenge for these organizations is to produce innovative products and services and to adapt quickly to new opportunities. Unlike markets or hierarchies, adhocracies do not have a centralized power or an authority relationship. Instead, power flows from individual to individual or from task team to task team, depending on what problem is being addressed at the time (problem is being addressed at the time (Cameron & Quinn, 2006).

Adhocracy culture emphasizes on new product and service development, adaptability, growth, change, productivity, efficiency and experimentation. These characteristics reflect external orientation and have better developed knowledge conversion and corporate performance (Tseng, 2010). Ogbonna & Harris (2000) reported that competitive and innovative cultures are positively related to organizational performance. Adhocracy culture related characteristics seem to have the great potential to affect performance outcomes.

Market Oriented Culture

A market culture is regarded as a results-oriented workplace with emphasis on winning, outpacing the competition, escalating share price, and market leadership (Quinn, 2006). Staying close to one's customer can result in timely market information, joint product development activities, and intense brand loyalties, leading to better financial performance (Peters & Waterman, 2002). Quinn & Spreitzer, (2009) argued that employees in these culture types are success-oriented. They give importance to personal interests rather than organizational goals and emphasis on the concepts of planning, performance and efficiency. Global businesses which have effective relationship between suppliers, customers and external stakeholders are examples of this organizational culture (Berrio, 2003).

Lim, 2010) indicated that market culture it refers to a type of organization that functions as a market itself. It is oriented towards the external environment instead of internal affairs. It is focused on transactions with (mainly) external constituencies such as suppliers, customers, contractors, licensees, unions, and regulators. The market operates primarily through economic market mechanisms, mainly the monetary exchange. That is, the major focus of markets is to conduct transactions (exchange, sales, and contracts) with other constituencies to create a competitive advantage (Lim, 2010).

Profitability, bottom-line results, strength in market niches, stretch targets, and secure customer bases are the primary objectives of the organization. Not surprisingly, the core values that dominate such market-type organizations are competitiveness and productivity. Competitiveness and productivity in the market organizations are achieved through the strong emphasis on external positioning and control.

Organizational culture can also affect performance provided that they are able to adapt to its environment (relevant to its industry and business conditions. Kim *et al.,* (2004) argued that market-oriented corporate culture has been increasingly considered a key element of superior corporate performance. In their study, they found that market-oriented corporate culture facilitate organizational innovativeness, which in turn affect firm performance.

Hierarchy Culture

Hierarchy (control) culture is located between internal organization focus and stability/control dimensions. The hierarchical culture reflects values and norms associated with bureaucracy (Quinn & Spreitzer, 2009). This is an organizational culture type which the leadership is effective because it is in mechanical and bureaucratic organizations that give importance to order and rules. Cameron and Quinn, (2006) the first introduce of the hierarchy culture by Weber consist of seven characteristics such as rules, specialization, meritocracy, hierarchy, separate ownership, impersonality, and accountability. These characteristics were deemed highly effective in the accomplishment of the purpose, and were adopted widely in organizations whose major challenge was to generate efficient, reliable, smooth flowing, and predictable output.

Formalized and structured places along with procedures, well-defined processes and a smooth-running organization are often regarded as the main characteristics of hierarchy culture (Cameron, 2004). The long-term concern of this type of culture is the stability, predictability, and efficiency. Although the studies show hierarchy culture is not the best performer compared to other cultural dimensions (Tseng, 2010).

Erdem (2007) indicated that hierarchy culture can be seen in global companies like McDonald's and Ford Motor Co. leads to worker alienation, purposelessness and decrease in the sense of autonomous. Haris (2000) argued that more formalized companies usually possess formalized controls and processes, thus, they have better developed corporate performance because of its effective management.

Organizational Culture and Performance

Performance is a contextual concept associated with the phenomenon being studied (Hofer, 2013). In the context of organizational performance; performance is seen as a measure of the change of the financial state of an organization or the financial outcomes that results from management decisions and executions of those decisions by members of the organization (Carton, 2010).

Many consultants maintain that various initiatives and programs improve the performance of organizations. However optimal definitions or measures of performance remain controversial (Salmon & Robinson, 2008). Fortunately practices that improve commitment and attitudes of employees have been found to enhance performance (Gong, Law, Chang & Xin, 2009). Leadership can be used as an antecedent for employee commitment to work and their organizations leading to improved performance.

Since the perception of these outcomes remains contextual, the measures used to represent performance are selected based on circumstances of the organization being studied. Most organizational performance measures will however be based on profitability, financial, employee turnover, market based share (Carton, 2010), which are mostly inward looking.

In Kenya, Njugi and Agusioma (2014) studied the effect of organization culture on organizational performance in non-financial institutions with a specific focus on World Vision Kenya. Using a linear regression analysis to find out how organizational culture correlated with organizational performance, the study established that organizational culture significantly influenced performance by enhancing organizational philosophy, work atmosphere, performance targets and organizations stability. Wairimu (2013) investigated the effect of organizational culture on organizational performance based on a case study of Wartsila-Kipevu II Power Plant in Kenya. The study concluded that organizational ideals had a more significant influence on organizational job performance, than the organization organizational performance as was hypothesized. Although the study established an overly positive relationship between organization culture and organizational performance, the effect differed in terms of work procedures and systems having a significant impact on employees' performance.

In a study by Muya, Ng'ang'a, Wesonga and Nyongesa (2011) on the impact of organizational culture on performance in learning institutions reported that every organization had a culture which influenced people's attitudes and behavior at work. Shakil (2012) studied the impact of organizational culture on management practices in Pakistan with the aim of expanding understanding and testing the relationship between the components of organizational culture and performance. Using regression and correlation analysis, the study found out that consistency and adaptability were some of the cultural attributes which significantly influenced management practices.

Lorraine, Dorai and Zubair (2011) investigated the influence of organizational culture on performance management in insurance industry. The study focused on five variables namely adaptive perspective, communal, network, mercenary and fragmented culture. The study established a link between organizational cultures and management practices. However, the study reported that different types of organizational cultures had varied acceptance levels of performance management.

METHODOLOGY

This study used descriptive research design which is a method or process of collecting data in order to answer questions concerning current status of the subjects in the study (Gay, 2007). The study assumed a multivariate regression model. The multiple regression models were computed as follows;

$$\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon}$$

Whereby;

Y = Organization Performance (value of dependent variable)
$\boldsymbol{\beta_0}$ = Constant Variable
$\boldsymbol{\beta_1 - \beta_4}$ = The corresponding coefficients for the respective independent variables
$\mathbf{X_1}$ = Clan Culture
$\mathbf{X_2}$ = Adhocracy Culture
$\mathbf{X_3}$ = Market Culture
$\mathbf{X_4}$ = Hierarchical Culture
$\boldsymbol{\varepsilon}$ = An error term

RESEARCH FINDINGS

Organization Performance

As shown in the Table 1 below, the researcher sought respondent's views on the trend of organizational performance in the commercial banks: effect of Profitability on the performance of commercial banks had a mean of 4.9143 and a standard deviation of 0.28403 followed by effects of competition on the performance of commercial banks as supported by a mean of 4.8571 with a standard deviation of 0.35504 and finally effects of employee satisfaction on the performance of commercial banks as supported by a mean of 4.7714 with a standard deviation of 0.42604 .

Table: 1: Organization Performance

Organization Performance	Mean	Std. Deviation
Employee satisfaction affects performance of commercial banks	4.7714	.42604
Profitability affects performance of commercial banks	4.9143	.28403
Competition affects performance of commercial banks	4.8571	.35504
Market share affects the performance of commercial banks	4.6286	.59832

Organization Culture Practices

The general objective of the study was to determine the role of organizational culture on organizational performance. Section 2 was thus dedicated to the analysis of the independent variables; Hierarchical Culture, Clan Culture, Adhocracy Culture and Market Culture.

Clan Culture

Table: 2: Clan Culture Dimension

Clan Culture Dimension	Mean	Std Deviation
The bank rewards both individual and team performance	4.0286	.82197
Managers take time to build relationships with other employees	2.2857	1.31890
Managers involve employees in decision making in the Bank	2.3714	1.26225
Employees respect each other's needs when making decisions in the Bank	3.5714	.94824
Organization culture has improved the level of team work among employees over the years	4.3714	.77024

As shown in the Table 2 above, the researcher sought respondent's views on the role of clan culture on organizational performance of commercial banks: Organization culture has improved the level of team work among employees over the years the bank rewards both individual and team performance had a mean of 4.3714 and a standard deviation of 0.77024. Followed by the bank rewards both individual and team performance had a mean of 4.0286 and a standard deviation of 0.82197. Employees respect each other's needs when making decisions in the Bank as supported by a mean of 3.5714 with a standard deviation of 0.94824. Managers involve employees in decision making in the Bank as supported by a mean of 2.3714 with a standard deviation of 1.26225 and finally effects of market share on the performance of commercial banks as supported by a mean of 2.2857with a standard deviation of 1.31890.

Extent of Clan Culture on Organization Performance

Table 2: Extent of Clan Culture on Organization Performance

Responses	Frequency	Percentage (%)
Moderate Extent	5	14%
To a Great Extent	13	37%
To a Very Great Extent	17	49%
Total	**35**	**100**

Further the researcher wanted to determine the extent to which clan culture affected the performance of the organization: the results showed that 49% of the respondents maintained it affected to a very great extent, 37% respondents indicated it affected to a great extent and 14% of the respondents held that it affected at moderate extent. Majority 86% of the respondents (i.e. 49%+37%) argued that it did affect to a great extent. The implications were that clan culture was an essential factor for the performance of the banks, thus should not be compromised at all costs.

Adhocracy Culture

As shown in the Table 3 below, the researcher sought respondent's views on the role of adhocracy culture on organizational performance of commercial banks: Improved level of innovations in the bank over the last three years had a mean of 4.8000 and a standard deviation of 0.40584 followed by the bank recognizes and awards the most hardworking employees yearly as supported by a mean of 4.6000 with a standard deviation of 0.49705. The Bank promotes creativity among employees supported by a mean of 4.5143 with a standard deviation of 0.65849 and finally whether employee's promotion in the bank is based on performance was supported by a mean of 3.7143 with a standard deviation of 1.12646.

Table: 3: Adhocracy Culture

Adhocracy Culture	Mean	Std Deviation
The Bank promotes creativity among employees	4.5143	.65849
There has been improved level of innovations in the bank over the last three years	4.8000	.40584
Employees promotion in the bank is based on performance	3.7143	1.12646
The bank recognizes and awards the most hardworking employees yearly	4.6000	.49705

Table 4: Extent of Adhocracy Culture on Organization Performance

Responses	Frequency	Percentage (%)
Moderate Extent	4	11%
To a Great Extent	21	60%
To a Very Great Extent	10	29%
Total	**35**	**100**

In trying to determine if the adhocracy culture affected the performance of the organization; findings revealed that 60% of the respondents believed to a great extent. While 29% maintained it affected to a very great extent and 11% of the respondents held that it affected at moderate extent. This implied that the use of adhocracy culture was one of the way banks need to follow in order to improve its performance.

Market Culture

As shown in the Table 5 below, the researcher sought respondent's views on the role of market culture on organizational performance of commercial banks: An increase in customer references to their friends over the last three years had a mean of 4.8857 and a standard deviation of 0.32280. Followed by the whether organization culture had promoted the level of customer satisfaction in the bank over the last three Years which had a mean of 4.7429 and a standard deviation of 0.44344. Whether organization culture had improved new product development in the bank over the last three years was supported by a mean of 4.5143 and a standard deviation of 0.61220. Increase in service delivery in the bank over the last three years had a standard deviation of 4.4000 and a mean of 0.73565 and finally improved growth in market share over the last three Years was supported by a mean of 4.3143 with a standard deviation of 0.58266.

Table: 5: Market Culture

Market Culture	Mean	Std Deviation
There has been increased service delivery in the bank over the last three years	4.4000	.73565
Organization culture has improved new product development in the bank over the last three years	4.5143	.61220
Organization culture has promoted the level of customer satisfaction in the bank over the last three Years	4.7429	.44344
There has been improved growth in market share over the last three Years	4.3143	.58266
There is an increase in customer references to their friends over the last three years	4.8857	.32280

Extent of Market Culture on Organization Performance

Table 6: Extent of Market Culture on Organization Performance

Responses	Frequency	Percentage (%)
To a Great Extent	8	23%
To a Very Great Extent	27	77%
Total	**55**	**100**

In trying to determine if market culture affect the performance of the organization; findings revealed that 77% of the respondents believed to a very great extent have done so. While 23% of the respondents held to a great extent. This implied that the use of market culture is the way for banking if they want to succeed and remain relevant to the financial sector.

Hierarchical Cultures

Table: 7: Hierarchical Cultures

Hierarchical Cultures	Mean	Std Deviation
There is high importance placed on bank rules, values, obligations and regulations at our Bank	4.8571	.35504
Employees deal with each other fairly relying on the rules, regulations and values	4.3429	.76477
The rules of the Bank provide clear instructions, processes and procedures for employees	4.7429	.44344
Employees believe in personal freedom and achievement in this Bank	4.6571	.76477
The Bank ensures clear instructions are availed to staff concerning their tasks and duties	4.2000	.40584

As shown in the Table 7 above, the researcher sought respondent's views on the role of hierarchical culture on organizational performance of commercial banks: whether high importance placed on bank rules, values, obligations and regulations at our Bank had a mean of 4.8571 and a standard deviation of 0.35504. The rules of the Bank provide clear instructions; processes and procedures for employees had a mean of 4.7429 and a standard deviation of 0.44344. Employees believed in personal freedom and achievement in this Bank as supported by a mean of 4.6571 with a standard deviation of 0.76477. Employees dealt with each other fairly relying on the rules, regulations and values as supported by a mean of 4.3429 with a standard deviation of 0.76477 and finally whether the Bank ensures clear instructions are availed to staff concerning their tasks and duties as supported by a mean of 4.2000 with a standard deviation of 0.40584.

Extent of Hierarchical Cultures on Organization Performance

Table 8: Extent of Hierarchical Cultures on Organization Performance

Responses	Frequency	Percentage (%)
To a Little Extent	3	9%
Moderate Extent	5	14%
To a Great Extent	19	54%
To a Very Great Extent	8	23%
Total	**35**	**100**

Further the researcher wanted to determine the extent to which hierarchical culture affect the performance of the organization: the results showed that 54% of the respondents maintained it affected to a great extent, 23% of the respondents indicated it affected to a very great extent and 14% of the respondents held that it affected at moderate extent, 9% of the respondents indicated it affected to a very little extent. Majority 76% of the respondents (i.e. 54%+23%) argued that it did affect to a great extent. The implications were that hierarchical culture was an essential factor for the performance of the banks, thus should not be compromised at all costs.

Regression Analysis

The study was a regression analysis which involved running an analysis of the relationship between the independent variables; Hierarchical culture, clan culture, Adhocracy culture, Market culture against the dependent variable, performance. This was done and the findings given in tables 9, 10 and 11 below.

Model Summary

The model summary gave of the total variability in the dependent variable explained by the model. This then indicated the percentage of the variability in the dependent variable explained by factors not included in the study

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.960[a]	.922	.912	41.31078

a. Predictors: (Constant), Hierarchical Culture, Clan Culture, Adhocracy Culture, Market Culture
b. Dependent Variable: Performance

Table 9 illustrated that the multiple correlation coefficient R = 0.960 indicated there was a strong positive correlation between organization culture and organization performance. Also, the value of R^2 = 0.922, meaning that the organization culture can account for 92.2% of the variation on organizational performance of commercial banks. The adjusted R^2= 0.912 concerns the generalizability of the model, allowing the results to be taken from the sample and generalized for the whole population. It was noticed that the value of the adjusted R^2 was very close to the value of R^2. If the adjusted R^2 was excluded from R^2 (0.960-0.922) = 0.038. This minor decrease (0.038) means that if the model had been fitted when the whole population participated in the study, the higher variance in the outcome would be 0.038.

ANOVA

Table 10: ANOVA

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.257	4	5.814	67.604	.000a
	Residual	2.576	30	.086		
	Total	25.833	34			

a. Predictors: (Constant), Hierarchical culture, clan culture, Adhocracy culture, Market culture. Dependent Variable: performance.

The analysis of variance (ANOVA) results showed the relationship between organization culture and organization performance was significant F = 670.604, $p<0.05$), indicating this relationship was significant and not by chance. The findings implied that the relationship between organization culture and organization performance was causal and not due to chance. This means that an increase in organization culture practices of Managers, assistant managers and credit officers in commercial banks in Voi Sub County would lead to an increase in organization performance while a decrease in organization culture would lead to a decrease in organization performance in commercial banks in Voi Sub County.

Coefficients

Table 11: Coefficients

Regression Coefficients						
		Unstandardized Coefficients		**Standardized Coefficients**		
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	118.827	28.783		4.128	.000
	Clan culture	-.009	.009	-.062	-1.018	.317
	Adhocracy culture	.163	.080	.220	2.023	.052
	Market culture	.144	.042	.641	3.461	.002
	Hierarchical culture	.034	.036	.157	.944	.353

a. Dependent Variable: Performance

After the computation of the factors under study against the performance of commercial banks; the findings indicated that clan culture had a P>.317, more than the significance level of 0.05. This showed a weak relationship between clan culture as a factor affecting organization performance in commercial banks. Secondly, Adhocracy culture had a P>.052 which was more than the significance level of 0.05 which again indicating a weak relationship between it and the dependent variable. Thirdly, market culture as a factor affecting organization performance of commercial banks scored a P=.002 connoting a strong relationship between it and organization performance of commercial banks. Finally, Hierarchical culture had a P>.353, this was also a weak relationship between the factor and the dependent variable. This was a clear indication that only one factor strongly affected organization performance of commercial banks (i.e. market culture); therefore, it's upon the banks management to ensure that they implement organization culture practices that can improve organization performance. However, caution was given that other factors should not be ignored or one becomes to dogmatic emphasizing one over the other as they too contribute to the performance of commercial banks. What was encouraged here was to improve on their practicability because they could add an immense value to the organization performance as well.

Discussion

The study findings indicated that organizational culture had statistically significant role in as far as organization performance was concerned, the findings were concurring with what a study by Again Denison (2010) which examined the relationship between organization culture and performance. He found that the organization with participative culture performed better than other cultural types. The study established that firms engaged in various organizational cultures so as to boost performance. The cultures were particularly oriented towards the relationships between the employees and fellow employees, employees and their seniors and lastly with the banks they worked for. The study established that organization culture greatly affected organization performance in terms of profitability, timely achievement of goals and improved service delivery. These findings are in agreement with Kotter (2012) that organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving. Farashahi and Molz (2014) observe that culture is strength but can also be a weakness. As a strength, culture can facilitate communication, decision making and control, and create cooperation and commitment.

These findings indicated that the Banks had adopted Hierarchical Culture, Clan Culture, Adhocracy Culture and Market Culture to a great extent. These findings concur with Hofstede (2011) who posits the existence of several types of organization culture exist for instance; universalism culture whereby people place a high importance on laws, rules, values, and obligations. Particularly type of culture whereby people believe that their circumstances and relationships dictate the rules they live by. The findings revealed the various types of organizational culture adopted by the various banks in their attempts to enhance performance.

The result indicated that that the relationship between clan culture and commitment was stronger and significant as compared to adhocracy, hierarchy or market cultural dimensions. Committed employees were an asset to the organization and work for the betterment of the organization. Empirical evidence proved that the clan culture was the most sought after culture within organizational environment by the employees. In clan culture, employees were viewed as family members, where employees feel more comfortable and develop a sense of belonging to their organization. In the process, they develop strong commitment ties with their organization.

Hypotheses Testing

At 5 percent level of significance, the regression results shows that the values of the variables (Market Culture) are statistically significant which means that there is significant role of Market Culture on the performance of commercial banks in Voi sub–County. Therefore, the null hypotheses pertaining to these variables have been rejected and the alternative hypotheses have been accepted. On the other clan culture, Adhocracy Culture and Hierarchical Culture shows a significance level greater than 5 percent indicating that there is no significant impact of clan culture, Adhocracy Culture and Hierarchical Culture on the performance of commercial banks in Voi Sub County. Hence, the null hypothesis regarding clan culture, Adhocracy Culture and Hierarchical Culture are accepted. Hence, on the basis of results, the following conclusions are drawn:

The results showed that there was no significant role of Clan culture on the performance of commercial banks in Voi Sub County. Hence, **H_1 is accepted.**

The results showed that there was no significant role of adhocracy culture the on performance of commercial banks in Voi Sub County. Hence, **H_1 is accepted.**

The results showed that there was a significant role of market oriented culture on the performance of commercial banks in Voi Sub County. Hence, **H_3 is rejected.**

The results showed that there was no significant role of hierarchical culture on the performance of commercial banks in Voi Sub County. Hence, **H_1 is accepted**

CONCLUSIONS

Organizational culture is a powerful force that works to clarify important matters and also to coordinate employee efforts thus lowering costs and eliminating inefficiencies due to close and immediate supervision. A good organizational culture will instill brawny employee behavior that is in turn conducive for good policy and strategy implementation. The study concludes that majority of the employees in the bank don't have a concern for other members and the management doesn't have commitment to its members and their morale. The bank management doesn't consider employees view in the bank's decision making. This has led to having poor relationship been the management and the employees.

The banks don't put more emphasis on innovation, looseness, and flexibility of structure in conjunction with a focus on external constituencies and resource providers and the achievements of legitimacy with outside stakeholders. The banks also don't encourage entrepreneurial activity, creativity, and acquiring resources from external providers. This shows that the banks are not committed to risk, innovation and development.

The study also concludes that the banks implement market culture by putting more emphasis on order, rational production, and goal accomplishment in combination with external interactions with suppliers, customers, subcontractors and competitors. The banks also concentrate more on competitive orientation towards rivals and emphasis on achievements on the market place distinguish the Market from other cultures. The banks clearly instruct its employees by a decisive, authoritarian leader and are rewarded financially if they perform well. Rewards are based on individual performance rather than organisational performance.

Although banks values stability, control and continuity, which are obtained through measurement, documentation, and information management its employees are not given well-defined roles and are expected to follow the rules and procedure that are developed to govern their actions. The banks Situations are not structured to fit the rules and procedures of the organisation hence affecting its performance.

RECOMMENDATIONS

- With the prevalent competitive environment around the world, it is imperative for the organizations to strengthen their organizational set of principles that define who its employees, customers and suppliers are and how to interact with each other and whether they think independently when carrying out their work duties.
- Commercial banks also need to encourage employees to have a sense of identity which increases their commitment to work since this will positively influence organizational performance.
- Focus should be directed at leaders in different capacities as they play the role of coaches in giving general direction, but further encourage individual decision-making to determine the operating details.
- Organizational culture should be enhanced in commercial banks in Kenya since it enhances organizational performance. In particular, commercial banks should encourage employees to pull towards a common goal.
- Commercial banks should also encourage a culture in which employees are allowed to understand how the organization operates, vision, and mission and goals that guide all stakeholders.
- Commercial banks should exercise entrepreneurial culture by indicating that the focus should be on treating people with respect and trust that provide the necessary base for a vibrant and sustainable corporate culture.

SUGGESTIONS FOR FURTHER STUDY

Further studies can be done to establish the influence of organizational culture and strategy implementation in Foreign Banks in Kenya. There is still need for future researches to be done to establish the role of organization culture on effective strategy implementation. Studies may also be done to asses on the impacts of training and development at different levels of the organization hierarchy and its effects on the attainment of organization culture changes. Subsequent studies should consider replicating this study in other commercial banks in the country to see if the same results will be achieved.

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