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Relationship between Organizational Culture and Organizational Performance

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Abstract

The purpose of this study was to examine the relationship between organization culture and organization performance. We used Trompenaars typology as organisational culture lens and measured performance using the balanced scorecard framework in a survey of 129 respondents from 43 commercial banks. Questionnaires were used to collect data which were analyzed using both descriptive and inferential statistics. A significant relationship existed between organization culture and performance. Cultures that are formal and task oriented, namely Guided missile and Eiffel tower were more significantly related with better performance, compared to those that are person oriented, which are incubator and family cultures. Further, flexible cultures (family cultures) are more strongly related to organization performance compared to inflexible cultures (Eiffel tower cultures). This research is among the first attempts to use Trompenaars culture topologies to study the relationship between organization culture and organization performance. These findings have important implications for managers with regard to what cultures to promote in the banks in order to improve performance

Keywords: Organization culture, performance, commercial bank, Kenya

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Introduction

Commercial banks play a fundamental role in Social economic development of any Country. Banking systems serve as key agents along with the entrepreneurs in the process of economic development. In Kenya, Commercial banks contribute to economic growth through capital creation by accumulation of funds, implementation of modern technology, development of industrial and agricultural sectors and expansion of market and resource utilization among other roles. Commercial Banks are expected to greatly contribute towards realization of vision 2030 in Kenya. They are regulated and supervised by the Central Bank of Kenya. The Kenyan banking sector in Kenya continues to change and the unpredictability of this irregular change makes environment complex. A notable trend of declining profits, losses and several cases of receivership for the last five years has become a concern in the banking sector in Kenya. Recently, there has been a drastic change in government policy in relation to banks. Capping of the interest rate charged to borrowed loans has caused banks to go back to the drawing board and rethink their next course of action. Recent staff layoffs in some of the leading commercial banks, business process reengineering and focus on internationalization are indications of difficult times for banks in Kenya.

Organizations, specifically banks, have to continuously adapt to the fast-changing and often unpredictable business environment, to remain relevant in the market place and earn above average profits. Organizations must formulate, adopt and successfully, implement appropriate strategies in order to achieve both long term and short term objectives (Porter, 1996). Survival in today's dynamic business world of constant change and ever increasing complexity demands greater competitiveness in all aspects of the organization's performance. Organization culture is a force that in a unique way influences the internal environment of every firm. Successful strategy implementation requires right strategy- culture fit. When organizations adopt appropriate strategies and successfully implement them, performance will improve accordingly. This study predicts that organization culture influences strategy implementation, which in turn determines organization performance.

Statement of the Problem

In the last five years, banking industry in Kenya has experienced stiff competition. With the introduction of interest caps by the government, new firms entering into the industry and the ever changing regulatory environment, banks have been forced to rethink their strategies and their implementation processes. Mergers, acquisitions, amalgamations, retrenchments and frequent bank receiverships are some of the indicators of the challenges facing the banks in Kenya. Banks therefore must adopt appropriate strategies and successfully implement them to gain competitive advantage. Banks in Kenya have varying culture types. This study seeks to establish relationship between organization culture of a bank and its performance. This can inform bank managers on appropriate culture types that support the strategy implementation and hence superior performance.

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Literature Review

Organization culture

Organization culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaption and internal integration (Schein, 1992). Cameron and Quinn (1985), define culture as the core values, assumptions, interpretations and approaches that characterize an organization. It facilitates communication, teamwork and promotes strategic focus. It creates an organizational identity while promoting a sense of value and commitment among members of the organization. However, static aspects of culture such as enduring attitudes, belief systems, and certain organizational practices tend to pose a challenge against new strategic thoughts (Thompson (2007). Comerford (1985) argues that maintaining a culture, that positively supports adopted strategy, greatly enhances effectiveness of strategy implementation.

According to Cameron and Ettington (1988) overall effectiveness in an organization can be greatly improved by reconfiguration of the prevailing culture to be in line with the organization goals. The corporate culture in an organization greatly influences the mindset of employees and this in turn influences the customers' perception of the organization. Organization culture is motivated by the need for national integration, adaptation to the external environment and survival (McNeal, 2009). While internal integration focuses on internal organization; values systems, team boundaries, compensation and motivation, external adaptation focuses on positioning the firm strategically in its industry. The basis of organization culture is shared assumptions and philosophies on which organization's belief systems are grounded. This level supports attitudes which are inclinations to act in a certain way. Norms in the organization are supported by the existing attitudes at work place. Attitudes are expressed through behaviour by which overall culture is visualized. This is manifested through words, symbols or gestures.

Currie and Shepstone (2012) posit that a strategy that is congruent to the company's prevailing culture can lead to improved overall organizational performance. Deal and Kennedy (1982) established that a relationship exists between belief systems within an organization and organization performance. Values and beliefs influence corporate culture. Certain culture types have been found to positively influence strategy performance in a company.

Gordon and DiTomaso (1992) explain that various culture typologies exist in different organizations cutting across industries. Schen (1996) defines organization 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 are believed to be valid and can therefore be passed to members as the correct perception in relation to existing problems.

Trompenaars culture typology

According to Trompenaar's (1994) culture typology, four culture types differentiate organizations and each affects strategy implementation and organization performance in a unique way. These culture types are *Incubator* culture, *Guided missile* culture, *Family* culture and *Eiffel tower* cultures.

Two dimensions were used in arriving at Trompenaar's classification. The first dimension was *egalitarian versus hierarchical*. This is the degree of power distance between organization members that is presumed to affect the degree of decentralization in an organization. In this scenario, people are basically equal and decision making power is decentralized. People differ in position and decision making power is centralized, so the

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leaders decide and tell workers what to do. The second dimension is *people versus task orientation*. Task orientation is assumed to be aligned with a more formal approach to communication while people orientation is more informal in approach.

Based on these two dimensions, namely *egalitarian versus hierarchical* and *people versus task orientation*, a 2x2 culture matrix is visualized (Trompenaar’s, 1994). These culture typologies are the *Incubator culture* which is egalitarian, person oriented and fulfillment-oriented. It is characterized by creativity which is spontaneous relationship emerging from creative processes. People are co-creators. This culture is characterized by management by passion and learning. On the other hand, combination of task orientation and hierarchic orientation leads to *Eiffel tower* culture, characterized by emphasis on hierarchy, job definition and expertise.

	Egalitarian/decentralized		
Person/Informal Style Style	Incubator (Fulfillment-oriented)	Guided Missile (Project –oriented)	Task/Formal
	Family (Power-Oriented)	Eiffel Tower (role-oriented)	

Figure1. Trompenaar’s cultural typologies
Source: Adapted from Trompenaar’s (1994, p. 145)

Further, the combination of hierarchy and person orientation leads to *Family culture* in which management is by subjectivity and respect for authority. Position in an organization is highly valued as a source of power. People are seen as family members. Lastly, the combination of task orientation and decentralization leads to *guided missile* culture where strategy is managed by objectives.

Max Weber carried out extensive studies on bureaucratic organizations. In these organizations flexibility is not encouraged while many levels of supervision are embraced in the organizations. An open organization that continually redefines itself in view of changing business environment can be described by *adaptability culture*, (Harrison, 2004). An organization where a leader continuously scans the environment for a business opportunity, and is willing to take risk, can be described by *entrepreneurial culture*. The key objective of such a culture is growth (Mintzberg, 1988).

Organizations justify their existence through a mission statement. Mission focuses the efforts of the organization members towards vision realization. Aligning the company strategy with vision of the company enables an effective mission accomplishment. Such an

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organization can be described by a *mission culture*. David,(2003) states that organization performance can be improved if prevailing culture is put into perspective during implementation of strategies. In this regard, banks must understand the prevailing organization culture typology, and operationalize their strategy accordingly to improve performance.

According to a study by Muchira (2013), there is a strong relationship between organization performance and strategy implementation; however, most strategies fail at the implementation stage. Allio (2005), states that 57% of firms, poorly implement strategies. A study by Miller (2002) concludes that majority of firms extensively fail to implement their intended strategies. Beer and Nohria (2000) have noted that up to 70% of strategic initiatives fail to achieve predetermined objective due to poor implementation. Woolridge and Floyd (1990) state that strategy implementation could prove to be more difficult than strategy formulation. Lack of commitment, among members of the organization in terms of time, emotions and carrying out relevant activities could be a major source of difficulty during strategy operationalization (Sanderlands, 1994).

Organization culture is an important element of strategy implementation. According to Cremer (1993) organization culture is knowledge shared by members of an organization, and enables delegation by providing a common language. According to Buul (2010), focusing on the prevailing culture is an integral part of strategy implementation. Trompenaar's' (1994) model provides an insight of various culture typologies that exist in organizations. Due to complexity of banks, it is challenging to develop a uniform culture that guides the actions of employees; however, the banks should strive to encourage a culture that supports effective implementation of their strategy which would ultimately lead to satisfactory performance.

The delicate act of strategy operationalization involves navigating existing cultures in a way that ensures strategy is successfully implemented leading to high performance. This notwithstanding, the concept of strategy operationalization has not been given sufficient attention in strategy implementation literature.

Organization Culture and Performance

Comerfold (1985) opines that a firm focused on innovation in its industry would require a culture biased towards creativity and risk taking. Owing to the diversity of modern enterprises in terms, of religion, race and ethnicity, strategic managers strive to develop a culture-strategy fit that will lead to supervisor performance. The prevailing organization culture must be configured to support strategy operationalization leading to successful strategy implementation and high performance. According to Egwuonmu (1998), banks must sustain and encourage suitable cultures that support achievement of their visions, failure to which they collapse. Kottersand and Heskett (2000) opine that suitable and desirable behaviour in the organization derived from past experiences can be used to influence culture positively. An appropriate culture is that which motivates employees and focuses them into problem solving approaches. Management should carry out regular assessment of prevailing organization culture in relation to company vision and mission, identify gaps and configure the culture to achieve acceptable fit with adopted strategies for superior performance.

Schein (2003) posits that an organization culture that is consistent greatly influences the performance and success of a company. Being a socially complex resource, companies with strong cultures have a history of superior performance and sustainable competitive advantage (Robert & Dowling, 2002). According to Kotters and Heskett, (2000), for smooth running of an organization there must be a fit between company goals and the way company

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does things. This fit leverages organization performance. Many authors maintain that culture influence performance (Pirayeh et. al., 2003, and Meijen, 2007).

Balanced Scorecard Framework

This is a strategy planning and management tool, developed by Kaplan and Norton in 1990. This tool is useful in performance measurement. It incorporates both financial and non-financial measures to give a balanced view of organization performance. This framework employs four perspectives in monitoring organization performance; Customer perspective, internal process perspectives, learning and growth perspective; and financial perspective. In this study, the researcher will employ customer growth rate, transaction efficiency, number of trainings and return on capital as performance indicators for customer, internal process, learning and growth and financial perspectives respectively.

Empirical Literature

Several studies have been carried out in relation to strategy implementation by banks. For instance Bett (2012) studied challenges of strategy implementation in Kenya Commercial Bank. The study focused on structure–strategy alignment; the changes required to adapting the organization to the environment. The findings were that the organization structure greatly influences the success of a strategy. Similarly, Mugo (2013) studied agency banking in relation to Cooperative Bank of Kenya and concluded that internal organizations need to be configured to support strategy implementation. In a comparative study focusing on KCB and National Bank of Kenya (NBK), Muguni (2009) found that KCB had a better executive training program, which had a positive correlation to KCB's superior stagey implementation compared to National Bank of Kenya. Kiptugen (2003) explored strategic responses adopted by Kenya commercial bank to the changing competitive environment focusing on the reactionary moves the Banks were taking in response to the changing environment. Ndung'u (2009) assessed financial performance in financial sector in Kenya which broadly focused on the financial sector.

In summary, most studies have examined the relationship between culture and strategy implementation however, there is scarce empirical studies reported on organization culture and performance in commercial banks in Kenya.

The main research question (RQ1) is: *what culture type best predicts performance of commercial banks in Kenya?* By adapting Trompenaar's, (1994) culture typology framework, the researcher sought to establish how organization culture affects organization performance in commercial banks in Kenya.

Hypotheses of the study

H1: There is no statistically significant relationship between family culture and performance of Commercial banks in Kenya.

H2: There is no statistically significant relationship between Eiffel Tower Culture and performance of Commercial banks in Kenya.

H3: There is no statistically significant relationship between guided missile culture and performance of Commercial banks in Kenya.

H4: There is no statistically significant relationship between incubator culture and performance of Commercial banks in Kenya.

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Methodology

Research Design

Saunders (2009) defines research design as a detailed plan that gives guidance on how the study will be conducted. It guides the collection and analysis of data. In this study, the researcher adopted a descriptive and a cross sectional survey approach. This involves collecting data on phenomena as at the time of the study. Cross-sectional design is recommended for relationship studies because it is robust. The variables under study are measured as they naturally occur. A descriptive survey method was used to conduct this study. This method is used to collect data from a large population at a particular point in time in a highly economical way with an intention of describing the nature of existing situation. Descriptive studies can answer questions such as 'what is' or what was (Bictman & Rog, 1998). It seeks to find out what factors are associated with certain occurrences, outcomes and conditions of behaviour (Bell, 1987). Cross-sectional research design has been used previously by Munjuri (2013) and Njeru (2013). Descriptive design could be adopted for research focusing on finding out when, how and what, in relation to a phenomenon, (Cooper & Schindler, 2003).

Target Population

This study focused on the 43 commercial Banks in Kenya, regulated by the Central Bank of Kenya. Singleton (1994) posits that the ideal setting for any study should allow accessibility by the researcher and should provide instant rapport. Singleton also notes that an ideal reason for setting any study should be the existence of a problem that the study hopes to generate solutions for.

A census survey of all 43 commercial banks was conducted. All people under consideration in any field of inquiry constitute a universe or targeted population (Combo, 2006). The target population according to Borg and Gall (1989) refer to all the members of a real or hypothetical set of people, events, or objects for which the researcher wishes to generate results of the study. For this study, the Banks were the units of analysis, while respondents were the units of observation. This study targeted the 43 commercial banks in Kenya. Three respondents comprised branch manager, operations manager and a teller attendant at each bank headquarter branch.

Results and Discussions

Strength of relationships between culture and performance

In order to establish the strength of the relationship between culture typologies (Family, Eiffel tower, Guided Missile and Incubator) and performance, Pearson product moment correlation was used in each case against the four indicators of performance: return on asset, transaction efficiency, number of professional trainings and customer growth (Table 1).

Table 1: Relationship between culture and performance

		Returns of assets	Transaction efficiency	Number of professional trainings	Customer growth rate
Family	Person orientation	-0.324	-0.060	-0.118	-0.043
		0.003	0.583	0.280	0.697
	Hierarchical order in the organisation	0.555	-0.117	-0.250	-0.129
		0.000	0.283	0.025	0.237
Decisions making autonomy	-0.196	0.004	-0.299	-0.247	
	0.077	0.970	0.005	0.022	
Eiffel Tower	Level of supervision	-0.037	0.270	-0.081	-0.128
		0.742	0.012	0.461	0.239
	Responsibilities	-0.093	0.030	-0.221	-0.376
		0.404	0.782	0.041	0.001
Tolerance	0.354	0.196	0.156	0.075	
	0.001	0.700	0.151	0.495	
Guided missile	Task oriented people	0.728	0.322	0.511	0.592
		0.000	0.003	0.001	0.000
	Individual outputs	0.548	0.188	0.474	0.502
		0.000	0.084	0.000	0.000
Work definition	0.580	0.118	0.193	0.273	
	0.000	0.307	0.079	0.011	
Incubator	People focus	-0.196	-0.284	-0.088	-0.156
		0.078	0.008	0.422	0.157
	Goals	-0.311	-0.201	-0.211	-0.030
		0.004	0.064	0.051	0.780
Creativity	-0.200	-0.211	-0.111	0.178	
	0.071	0.052	0.309	0.100	

82

86

86

86

Source: Field Data

Family culture

This culture is described by person orientation, hierarchical order and decision making autonomy. From the results in Table 1, there was overall negative relationship between person-orientation culture and all four indicators of performance. Transaction efficiency recoded highest negative relationship ($r = -0.600, p < 0.001$) with person orientation element of family culture. Decision making had a positive insignificant relationship ($r = -0.004, p > 0.05$) with transaction efficiency while it had negative significant relations with professional trainings and customer growth ($p < 0.05$). Adherence to hierarchical order in the organization had a strong positive relationship ($r = 0.555, p < 0.001$) with return on assets.

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Eiffel Tower culture

Eiffel tower culture is described by support for many levels of supervision, responsibility and tolerance for personal relationships. Overall, level of supervision is insignificantly ($p > 0.05$) related with return on asset ($r = -0.037$), number of professional trainings ($r = -0.081$), and customer growth ($r = -0.128$); but it is significantly related with transaction efficiency ($r = 0.270$, $p = 0.012 < 0.05$). Responsibility definition was insignificantly ($p > 0.05$) related with return on assets and transaction efficiency; while it is negatively and significantly related with the number of professional trainings ($r = -0.221$, $p < 0.05$), and customer growth ($r = -0.376$, $p < 0.05$). Tolerance to personal relationships was positively correlated with all indicators of performance but the relationship was only significant with return on assets ($r = 0.354$, $p < 0.05$); relationship with other indicators of performance was insignificant ($p > 0.05$).

Guided Missile Culture

This culture is defined by level of task orientation among employees, individuals output's, ease of measurement and work roles not strictly defined. Correlation analysis between these characteristics and indicators of performance was carried out. Tasks orientation was positively correlated to return on asset ($r = 0.728$, $p < 0.001$), on transaction efficiency ($r = 0.322$, $p < 0.05$), number of professional trainings ($r = 0.511$, $p < 0.001$) and on customer growth ($r = 0.592$, $p < 0.001$). Individual output was positively and significantly related to return on asset ($r = 0.548$, $p < 0.001$), number of professional trainings ($r = 0.474$, $p < 0.05$) and on customer growth ($r = 0.502$, $p < 0.001$). but insignificantly related with transaction efficiency ($r = 0.188$, $p > 0.05$), and number of professional trainings ($r = 0.188$, $p > 0.05$). Further, work role definition, had positive significant correlation with return on asset ($r = 0.580$, $p < 0.001$), and customer growth ($r = 0.273$, $p < 0.05$). However, it had insignificant ($p > 0.05$) with transaction efficiency ($r = 0.118$, $p > 0.05$), and number of trainings ($r = 0.193$, $p > 0.05$).

Incubator Culture

This culture was negatively related to indicators of performance. Self-focus was negatively and insignificantly ($p > 0.05$) correlated with return assets, number of trainings and customer growth but it was significantly related with transaction efficiency ($r = 0.289$, $p < 0.05$). Personal goals were negatively correlated to return on asset ($r = -0.311$, $p < 0.01$), transaction efficiency ($r = -0.201$, $p < 0.1$), number of trainings ($r = -0.211$, $p < 0.1$) and $r = -0.03$, $p > 0.05$) on custom growth. Creativity aspect of incubator culture was negatively and insignificantly ($p > 0.05$) related with all the four indicators of performance in banks.

All the four culture typologies are significantly related with banks performance. Guided missile culture had highest positive correlation with performance. Its characteristics, task orientation and having "whatever it takes" attitude could be the contributing factor. Eiffel culture was also positively correlated with performance in banks. Many levels of supervision favoured by the culture, with each level having specific duties to supervise and well defined responsibilities which help employees to remain focused. There is no tolerance to personal relationships and employees are evaluated on performance which enhances organization performance. Family culture typology was negatively related with banks' performance. Its characteristics such as person orientation and individual's interest overriding organization interests might have negatively affected performance in banks, leaving decision making to top managers only leads to bureaucracy which might have affected agility of banks in a dynamic business environment, thus negatively affecting performance.

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Incubator culture was also negatively associated with bank's performance, while creativity aspect was positively associated with customer growth. Employees' focus on self-growth and pursuing individual interests had negative effects on return on asset, transaction efficiently and number of professional trainings in the banks. The findings are in agreement with the study by Trompenaars and Hampden-Turner (1997) and Quinn and Cameroon (1999). These studies posit that organizations have diverse cultures but the dominant culture will significantly influence organizations' performance; in this study, the guided missile culture had the strongest positive relationship with performance of the banks.

Influence of culture typologies on performance

The influence of the culture on various measures of performance was examined and the results are as follows:

Organization Culture and Return on Asset

Tables 2(a, b, c) show the strength of the relationship between the organization culture and return on assets. Table 2(b) reveals that the relationship is significant. Family and Incubator cultures are negatively associated with return on assets, while Eiffel and Guided Missile cultures are positively related with return on asset. The four culture typologies however are significantly related with return on assets. For a bank to record better performance in terms of return on assets, the strategic focus should be on the Eiffel and Guided Missile Cultures. This is because this study indicates that these culture typologies support strategy operationalization hence high strategic success.

Table 2a ANOVA

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	57.535	4	14.384	39.632	.000 ^b
	Residual	27.946	77	.363		
	Total	85.482	81			

Source: Field Data

- a. Dependent Variable: Return on assets
- b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The ANOVA Table 2(a) shows that all the culture types, when combined, are significant (F=39.632, p<0.001) in explaining variation in performance of banks that the regression model was significant.

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Table 2b Regression Coefficients

		Coefficients ^a				
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.595	.765		2.085	.040
	Family	-.500	.082	-.400	-6.068	.000
	Eiffel tower	.172	.110	.110	1.569	.121
	Guided missile	.646	.059	.713	10.866	.000
	Incubator	-.338	.133	-.177	-2.533	.013

a. Dependent Variable: Audited financial data

Incubator culture is negatively influences return on assets. In this culture, the employees focus on their own interest as opposed the interests of the organization and this is the reason why it negatively influenced profitability of the firm. Similarly family culture in which organization is run like a traditional home has a negative relationship with return on assets. Bureaucracy associated with this culture negatively affects the performance of banks, in relation to return on asset. From the findings, the researcher concludes that Family culture negatively affects the returns on assets in banks. This is because this culture typology has a strong emphasis on bureaucracy which stifles free flow of information and does not encourage feedback thereby inhibiting open and informed execution of strategy (Trompenaar, 1994).

Table 2c Model summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.820 ^a	.673	.656	.60244	

Source: Field Data

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The model summary, Table 2(c) indicates adjusted R value of 0.656, meaning that 66% of variation in return on asset was explained by the model variables.

Effect of Cultures on Transaction Efficiency

In order to establish the strength of the influence of organization culture and transaction efficiency in banks, data was collected and analyzed using linear regression analysis. The results are presented in Table 3a, b and c.

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Table 3(a). ANOVA in Transaction efficiency due to organizational cultures

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.029	4	2.007	4.714	.002 ^b
	Residual	34.494	81	.426		
	Total	42.523	85			

Source: Field Data

a. Dependent Variable: Transaction efficiency

b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The ANOVA results Table 3 (a) shows the combined influence of the four culture (Eiffel, Family, Guided Missile and Incubator) on transaction efficiency which is significant (sig 0.000). This means that prevailing culture in a firm can influence performance. This is in agreement with Alvesson (1990) who found that organization culture can be used as a tool of achieving performance.

Table 3(b). Regression coefficients for Transaction efficiency on cultures

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.204	.800		4.005	.000
	Family	-.049	.084	-.059	-.582	.562
	Eiffel tower	.223	.116	.205	1.915	.059
	Guided missile	.180	.064	.283	2.818	.006
	Incubator	-.262	.141	-.199	-1.858	.067

Source: Field Data

a. Dependent Variable: Transaction efficiency

Table 3 (b) family and incubator cultures have a negative relation with transaction efficiency, while Eiffel and guided missile cultures have a positive relationship with transaction efficiency. However, the influence of family culture on transaction efficiency was negative but not significant at $p < 0.05$ but it was significant at $p < 0.1$ as was also the case with incubator culture ($\beta = -0.262$, $p = 0.067 < 0.1$).

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Table 3(c). Model Summary for Transaction efficiency on Cultures

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.435 ^a	.189	.149	.65257

Source: Field Data

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Model summary Table 3(c) indicates that 41% of variation in transaction efficiency is explained by model variables.

Effect of Organizational Cultures on Number of Professional Trainings

Through regression analysis, the study sought to establish the strength of relationship between culture topologies in the organization and bank performance in relation to number of professional trainings. The findings are presented in Tables 11a, b and c.

Table 4 (a): ANOVA of in professional trainings due to organisational culture types

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.051	4	2.263	10.304	.000 ^b
	Residual	17.787	81	.220		
	Total	26.837	85			

Source: Field Data

a. Dependent Variable: Number of professional trainings
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The results in Table 4(a) show that the influence of the combined organization culture types on the number of professional trainings (a measure of learning and growth perspective of the BSC) is significant with a p-value less than 0.05 ($p < 0/001$).

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Table 4(b). Influence of organizational culture types on professional trainings

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.864	.575		6.725	.000
	Family	-.144	.060	-.217	-2.381	.020
	Eiffel tower	.020	.084	.023	.238	.813
	Guided missile	.276	.046	.546	6.010	.000
	Incubator	-.092	.101	-.088	-.913	.364

Source: Field Data

a. Dependent Variable: Number of professional trainings

Table 4(b) shows the regression coefficients with the results showing that Family and Incubator cultures negatively influence number of professional training. And the relationship between family culture and number of professional training is significant, with a p-value, less than 0.05. However, the incubator culture has insignificant ($\beta=-0.092$, $p=0.364>0.05$) on the number of professional trainings (learning and growth).

Eiffel and Guided Missile cultures are positively related with the number of professional trainings. The relationship between Eiffel culture and number of professional trainings is not significant. However the effect Guided Missile culture on the number of professional training is significant, with p-value of less than 0.05. Guided missile culture which is task oriented and favours decentralization encourages employees’ empowerment and hence positive influence on on professional training, compared with Eiffel culture which is biased to bureaucracy and does not support employees’ empowerment.

Table 4(c). Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.581 ^a	.337	.305	.46860

Source: Field Data

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Table 4(c) indicates that 31% of variation in the number of professional trainings was significantly explained model variables, namely Incubator, Guided missile, Family, and Eiffel tower cultures.

Effect of cultures on Customer growth

The researcher also sought to examine the effects of culture on customer growth at the banks. To this end, data was collected and analyzed through regression analysis to establish the

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strength of relationship. Table 5(a) indicates that all the repressors: four culture typologies combined are significant in relation to customer growth. Table 5(b) shows the coefficients.

Table 5(a). ANOVA in customer growth due to organisational cultures

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.876	4	4.469	10.859	.000 ^b
	Residual	33.334	81	.412		
	Total	51.209	85			

a. Dependent Variable: customer growth rate

b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

From the ANOVA results (Table 5a), the four culture typologies (Incubator, Guided missile, Family, Eiffel tower) very significantly ($F=10.859$, $p<0/001$) explained variation in customer growth in the commercial banks.

Table 5(b). Regression Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.632	.787		3.346	.001
	Family	-.092	.083	-.100	-1.112	.269
	Eiffel tower	-.064	.114	-.054	-.561	.576
	Guided missile	.410	.063	.586	6.509	.000
	Incubator	.025	.139	.018	.183	.855

Source: Field Data

a. Dependent Variable: customer growth rate

Family and Eiffel cultures have a negative insignificant influence on customer growth, while Guided missile and Incubator cultures are positively associated with customer growth. The influence of Eiffel, Incubator and Family cultures on customer growth is not significant at 5% significance ($p>0.05$) while only that of Guided Missile culture is significant ($\beta=0.410$, $p<0.001$).

Table 5c Model Summary

Model Summary					
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.591 ^a	.349	.317		.64150

a. Predictors: (Constant), Incubator, Guided Missile, Family, Eiffel

The results in the Model summary, Table 5(c), indicate that 32% of variations in customer growth was explained by the four culture types – incubator, guided missile, Eiffel tower and

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family culture. While the study indicates that 32% of variation in customer growth is explained by the model variables 68% of variations in customer growth are attributable to other variables that management should seek to establish (Cammeron& Quinn, 1990). Egwuonmu (1998) opined that banks must sustain and encourage sustainable cultures that support advancement of their visions or risk collapse. As Robert and Dowling (2002) observe, companies with strong cultures have a history of superior performance and sustainable competitive advantage. The banks should therefore firmly commit to promoting cultures that support, supplement and sustain their existing and future corporate goals.

Conclusion and Recommendations

Based on the findings of the study the following conclusions are drawn and recommendations made.

Conclusions

The study sought to determine the effect of Trompenaars' culture typologies which are: Family culture, Eiffel tower culture, Guided missile culture and Incubator culture on banks performance. Effect of Family culture on performance in banks in Kenya was studied using regression and correlation analysis, where it was established that Family culture has a significant positive relationship with banks' performance. Family culture is significantly related to return on assets, at (sig.0.002). Similarly table 2a indicates that 66% of variations in return on assets is explained by culture. This means that there is a statistically significant effect of family culture on banks performance. The hypothesis H1 that there is no statistically significant effect of Family culture on banks' performance in Kenya is therefore rejected.

Secondly, the effect of Eiffel tower culture on performance in banks in Kenya was studied using regression and correlation analysis, where it was established that Eiffel tower culture has a positive significant effect on banks' performance. Table 1, indicates that the Eiffel culture is positively correlated with transaction efficiency at p-value of less than 0.05 and that 41% of variations in transaction efficiency is explained by the organization culture. This means that there is a statistically significant effect of Eiffel culture on banks performance. Consequently, Hypothesis H2, that there is no statistically significant effect of Eiffel Tower culture on banks' performance in Kenya, is therefore rejected.

Thirdly, the effect of Guided Missile culture on performance in banks in Kenya was studied using regression and correlation analysis where it was established that Guided Missile culture positively and very significantly($p < 0.001$) affects banks' performance. Consequently, Hypothesis H3, that there is no statistically significant effect of Guided Missile culture on banks' performance in Kenya, is therefore rejected.

Finally, the effect of Incubator culture on performance in banks in Kenya was studied using regression and correlation analysis where it was established that Family culture significantly and positively affects Banks' performance. Incubator culture was positively correlated with transaction efficiency at (sig.0.011)and 32% of variations in customer growth is explained by organization culture, this means that there is a statistically significant effect of Incubator culture on banks performance. Consequently, Hypothesis H4, that there is no statistically significant effect of Incubator culture on banks' performance in Kenya, is therefore rejected.

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Recommendations

Applied recommendations

The findings of this study may guide bank managers to encourage and sustain cultures that creates suitable internal environment that support high performance. Diagram below shows the proposed model indicating interactions among organization culture, organization performance, and strategy implementation.

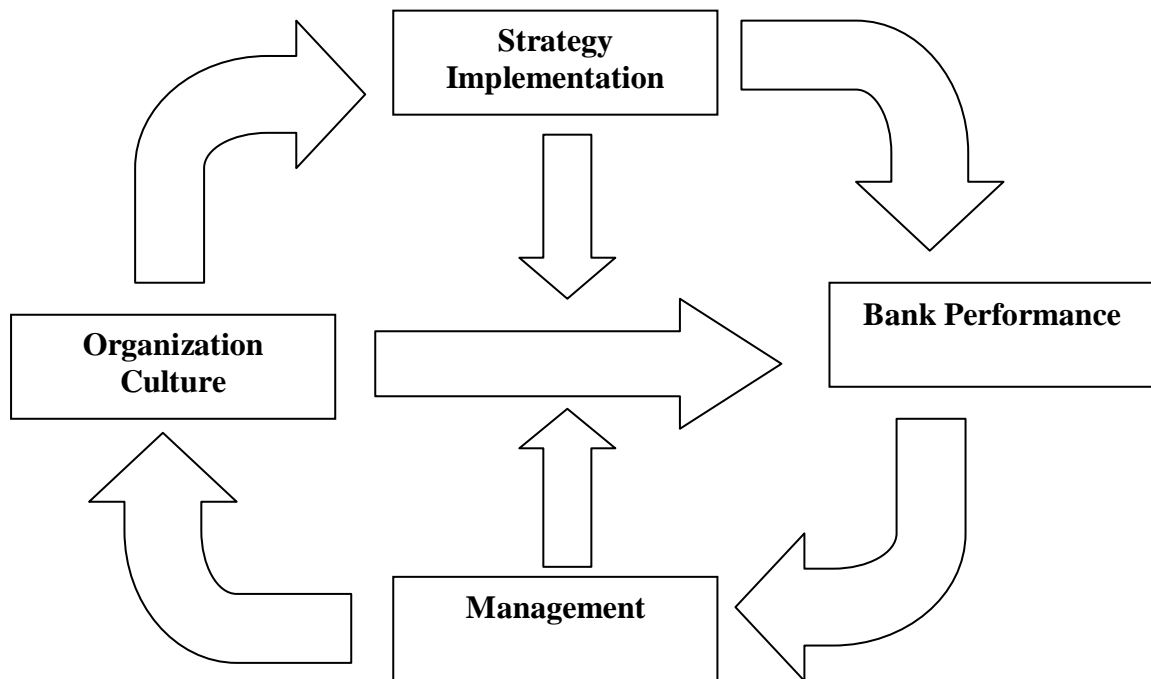


Figure2: Management advisory model

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