**THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE’S PERFORMANCE: A CASE OF TANZANIA ELECTRIC SUPPLY COMPANY LIMITED**

**EDGAR LEONARD MASOUD**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF THE OPEN UNIVERSITY OF TANZANIA**

**2013**

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**2013**

# CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a research thesis entitled: *“The Impact of Organizational Culture on Employee’s Performance: The case study of Tanzania Electric Supply Company Limited”* in partial fulfillment of the requirement for the award of the Degree of Business Administration of The Open University of Tanzania.

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Dr. Chacha Matoka

(Supervisor)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

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# DECLARATION

I, Edgar Leonard Masoud, declare that this Dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or other degree award.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

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Any praise for this work, the above mentioned have a share. In case of any shortcomings is beard by me alone.

# ABSTRACT

The primary purpose of this research is to understand the definition, conceptualization, and assessing the impact of organizational culture on organizational performance and also to examine the relationship between culture and performance. The study adopted the interpretive pattern and used questionnaire in collecting the data. A total of 109 copies of questionnaire were distributed to various company officers. Since the data were based on nominal scale, simple percentage and Chi-square methods were used to compute and analyze the stated hypotheses. The findings showed that there is a significant relationship between culture and organizational performance. The findings also showed that exogenous variables such as the nature of the economy and polity have more impact on organizational performance than endogenous variables such as size, organizational culture, organizational structure and technology. The results of the analysis of the cultural variables showed a high level of commitment to work, low level of labour turnover and absenteeism, positive beliefs about work, positive work values, attitudes, and norms. And that culture is not going to matter in performance unless managers understands it and know how to translate this connection into action. Based on the research conclusions made in this study, some recommendations were offered for possible consideration by TANESCO.

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# LIST OF ABBREVIATIONS AND ACRONYMS

OUT Open University of Tanzania

UDSM University of Dar es Salaam

TANESCO Tanzania Electric Supply Company Limited

MEM Ministry of Energy and Minerals

ZECO Zanzibar Electricity Corporation

CIPD Chartered Institute of Personnel and Development

HR Human Resources

IT Information Technology

OCP Organizational Culture Profile

# CHAPTER ONE

# 1.0 INTRODUCTION

# 1.1 Background of the Study

The role of organizational culture in organizational performance is a topic that has received extensive coverage in the literature; although, from different viewpoints and with different findings as to its relevance. Alvesson (2002) summarizes four views on the relationship between organizational culture and performance: the strong-culture thesis, where a strong culture leads to high performance; the exact opposite, where high performance leads to creation of “strong” culture; the contingency approach, where certain cultures are appropriate and necessary and; and finally the “adaptive cultures”, which are the key to better performance through its ability to respond to environmental changes quickly.

In the mid-eighties Denison (1984) stated that there is little evidence on the impact of an organization’s culture on its performance, but was later going to make new discoveries. Gordon (1985) discovered around that same time that companies in dynamic industries shared cultural values that contributed to increased stability. By the early nineties; however, a link between organizational culture and performance had been better established by the same before mentioned Denison (1990), although primarily for the short term. He found that organizations with participative cultures were performing better than those cultures that were not. This is in line with Burt, Gabbay, Holt, and Moran (1994), who hold that a feature of culture important for an organization’s performance is the extent to which the employees buy into it.

After this initial period of interest around the role of culture in performance, a number of other scholars built on the foundation laid by the likes of Daniel Denison through empirical research (e.g. Denison & Mishra, 1995; Gordon & DiTomaso, 1992; Kotter & Heskett, 1992; Marcoulides & Heck, 1993; Sørensen, 2002). Some degree of correlation has also been found by Burt, Gabbay, Holt, and Moran (1994), as well as by Ogbonna and Harris (2000), to mention a few. Rashid and his colleagues (2003) found from studying organizational culture literature that there is a clear link between culture and organizational performance. However, Lewis (1994) concludes her study of a tertiary institution in Australia by stating that behaviour is the only thing that can directly affect an organization’s performance. Lewis (1994) points out that “while behaviour may be one embodiment of culture, culture is certainly not the only determinant of behaviour”.

From this range of literature, it appears as the role of organizational culture in performance has received increasingly more interest and acceptance over the years. Although such a relationship is difficult to prove, some of the above mentioned scholars have found different degrees of correlation. This relationship will be addressed in this research.

# 1.2 Statement of the Problem

Until recently, culture has been examined with performance and effectiveness. According to Reichers and Schneider (1990), while culture researchers have devoted numerous articles to the nature and definitions of culture, relatively fewer articles have been contributed towards culture and performance research. One reason for this was the difficulty in operationalizing the culture construct.

Denison (1996) argued that many researchers were limited by the artificial paradigm separation between climate and culture research. For instance, he described that climate research was associated with surveys and statistical analysis while culture research was usually done through qualitative field studies. He argued persuasively that climate and culture research studies are frequent investigations of different manifestations of the same construct.

Given the focal position of organizational culture in this context and despite the claims for a link between organizational culture and corporate performance, few studies appear to have actually examined the impact of organizational culture as well as the nature of relationship between the two. Thus, this study aims to investigate the impact organizational culture has on employees’ performance within Tanzania Electric Supply Company Limited (TANESCO). In this study, the relationship between organizational culture and performance is examined, culture is treated as an internal variable, and is defined as the shared values and norms of the organization’s members. This is appropriate, as the study is primarily concerned with the cause-effect relationship between culture and performance.

# 1.3 General Objective

The primary objective of this study is to assess the effect of organizational culture on employee performance of a parastatal organization - TANESCO.

# 1.4 Specific Objectives

1. To examine cultural variables that is positively influence organizational performance.
2. To examine the perceived relationship of variables – culture and employees performance.
3. To identify other variables that determine performance of an employee in an organization.
4. To examine how do internal communication facilitate the existence of strong culture within the company.

# 1.5 Research Hypotheses

This study is set to investigate the effect of culture on employee performance. The following Hypotheses will be tested.

H01: Culture has no influence on employee performance in TANESCO.

HA1: Culture has influence on employee performance in TANESCO.

H02: Culture does not create opportunity to improve the performance of employees in TANESCO.

HA2: Culture creates opportunity to improve the performance of employee in TANESCO.

H03: The needs of employees from different cultural backgrounds do not fit into the overall objectives of TANESCO.

HA3: The needs of employees from different cultural background fit into the overall objectives of TANESCO.

H04: TANESCO's management team is not open in sharing information (both positive and negative) throughout all levels of the organization.

HA4: TANESCO's management team is open in sharing information (both positive and negative) throughout all levels of the organization.

# 1.6 Significance of the Study

One of the significant aims of this study was add value to the body of existing knowledge in organization theory and management, to come up with findings that can be used to tackle problems arising from work situations. The study intended to examine critically how the culture of individual employees affects work behaviour in general and how this in turn determines organizational performance. The logical question that may be asked is: “To what extent is culture determinant of organizational performance?” And again, what other variables intervene between culture and organizational performance? The significance of this study is anchored in the answers to these and some other related questions.

To begin with, Aldrich and Marsden (1988); Hofstede (1991), Tayeb (1994) and Zakaria (1997) among others have argued that organizations do not exist in a vacuum but in specific cultures. These scholars and researchers have, however, argued that much of the research into organizations neglects and fails to investigate the important relationship between culture and organizations.

The study is expected to provide adequate information on how culture and values can affect employee’s performance at a place of work. The study’s finding can be used to enrich the thinking of top management on how to develop good image of the company through enriching the company’s culture and values among its employees. The study will also be a source of information for improvement effectiveness of the TANESCO Management and employees in general. Furthermore, the findings will strive to re-orient the thinking and identifying a number of issues as being particularly important to the relationship between how people are managed and the performance of the business.

This research is of particular importance to TANESCO which will get an objective assessment of its organizational culture with an analysis highlighting how far away the organization is from the preferred situation as opposed to the perceived current situation. In addition, the study can provide valuable information on the role of organizational culture in the performance of the company operations, as there are a very limited number of available cultural assessment studies of the same nature in Tanzania.

Presently, there is a considerable body of literature on the relationship between culture and organizational performance. However, it is sad to observe that most of these studies are carried out in different socio-cultural contexts. Therefore, these findings cannot be invoked with full confidence in understanding the Tanzanian situation. In the light of this observation, it is envisaged that the results of this study will fill some gaps and at the same time make modest contributions to knowledge.

# 1.7 Limitations of the Study

In carrying out the study, several limitations were encountered, they included the following:

Budget constraint was one of the limitations in carrying out this study. It made the researcher conduct the study within Dar es Salaam region only.In overcoming such limitation arrangement for personal and family support was made so as to ensure that budget constraints were overcome within reasonable time.

Time also was limited from doing an in-depth study. The research needed a lot of time in order to get enough information from different TANESCO officials and other employees. So a detailed time schedule was developed so as to ensure the appropriate use of time. Furthermore, the employees felt uncomfortable and others simply felt not bothered to provide required information. Thus, there was some kind of limitation to the research in obtaining information. Close follow ups were done and respondents’ awareness on the importance of research was highly observed, communicated and hence it was possible to undertake the study.

# 1.8 Delimitation of the Study

The research was confined to TANESCO Head Office and Dar es Salaam regions (Ilala, Kinondoni North, Kinondoni South and Temeke) only due to the fact majority of the well informed and educated employees are found here. However, the result may as well apply to other urban areas, as TANESCO has standardized operating procedures and characteristics which do not differ significantly.

# CHAPTER TWO

# 2.0 LITERATURE REVIEW

# 2.1 Definition of Concepts

# 2.1.1 Organizational Culture

There is no single definition for organizational culture. The topic has been studied from a variety of perspectives ranging from disciplines such as anthropology and sociology, to the applied disciplines of organizational behavior, management science, and organizational communication. Some of the definitions are listed below:

A set of understandings or meanings shared by a group of people that are largely tacit among members and are clearly relevant and distinctive to the particular group which are also passed on to new members (Louis, 1980).

A system of knowledge, of standards for perceiving, believing, evaluating and acting that serve to relate human communities to their environmental settings (Allaire and Firsirotu, 1984).

The deeper level of basic assumptions and beliefs that are: learned responses to the group's problems of survival in its external environment and its problems of internal integration; are shared by members of an organization; that operate unconsciously; and that define in a basic "taken -for-granted" fashion in an organization's view of itself and its environment (Schein, 1988).

Any social system arising from a network of shared ideologies consisting of two components: substance-the networks of meaning associated with ideologies, norms, and values; and forms-the practices whereby the meanings are expressed, affirmed, and communicated to members (Trice and Beyer, 1984).

Robins (2000), defines it as the social glue that helps hold the organization together. Organizational culture according to Robins (2000) refers to a system of shared meaning held by members that distinguishes the organization from other organizations.

In my own words, I can define organization culture as the collective behavior of humans who are part of an organization and the meanings that the people attach to their actions. Culture includes the rules and policies, values, norms, working language, systems, symbols, beliefs and habits. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving, and even thinking and feeling. Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders.

Organizations must structure their recruitment processes to attract and engage incumbents with the same beliefs and values that constitute the organization’s culture. This ensures the new employee’s assimilation to the company and further strengthens corporate culture. Companies should also ensure that they align corporate culture with performance management systems. When culture and management systems are not aligned, management must redirect them so that employee behavior results in the achievement of organizational goals.

# 2.1.2 Employees Performance

Employees Performance is defined in terms of effectiveness (mission fulfillment), efficiency, ongoing relevance (the extent to which the organization adapts to changing conditions in its environment), and financial viability. The framework implies that certain contextual forces drive performance: the capacities of an organization, forces in its external environment, and the internal motivation of the organization.

Organizational culture provides a framework with respect to the behavior of employees in their workplace. Depending on the type of culture that is created in an organization, it can have a positive or negative effect on employee performance.

An organizational culture where employees are considered an integral part of the growth process of the organization fosters employee commitment towards the organization. They align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they have immense job satisfaction. In such organizational cultures, the employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization.

In organizations where managers are not facilitators but taskmasters, employees live with fear and distrust and work is nothing but a dreary chore. Since they are not involved in the overall organizational goals, they do not understand the implications of their tasks and hence may not be committed to achieving them. An organization where there is no cooperation between different departments ends up having employees working in silos or working towards undermining the efforts of the other departments which is detrimental to the overall health of the organization.

Organizational culture to a large extent determines the performance of the employees. Therefore, it is in the interest of organizations to eliminate negative factors that slow down employee performance in order to foster a positive workplace environment or a positive organizational culture.

# 2.1.3 Tanzania Electric Supply Company Limited (TANESCO)

Tanzania Electric Supply Company Limited (TANESCO) is a parastatal organization wholly owned by Government of Tanzania through the Ministry of Energy and Minerals (MEM), it was established in 1964. TANESCO is incorporated under the country’s Company Ordinance (Cap.212) of 1932 (now the Companies Act) and is directed by a board of Directors whose powers and responsibilities are in accordance with the Act.

The Company’s core business is Generation, Transmission and Distribution. The Company also sells electricity to Tanzania Mainland and sells bulk power to the Zanzibar Electricity Corporation (ZECO) which in turn sells it to the public in islands Unguja and Pemba.

TANESCO is a highly bureaucratic and well-structured organization, typically follow a culture with extensive controls. Employees follow standard procedures with a strict adherence to hierarchy and well-defined individual roles and responsibilities. TANESCO employees share common culture values, language, religions and other social values with other Tanzanians. There are three main religious beliefs represented in Tanzania; Christianity, Islam and traditional African beliefs. Heilman & Kaiser (2002, p. 7-8) claims that there is a lack of any reliable estimations of how these religions are divided between the population. More than 120 African ethnic groups are to be found in Tanzania and they are followers of Christianity, Islam and traditional African spiritual beliefs. The languages spoken in Tanzania are foremost Swahili and English. (ne.se, 2009-11-06), Swahili language being dominant, has a serious role in shaping Tanzanian national culture values as far as social aspects and peoples behaviours are concerned.

### Vision and Mission of the Company

*TANESCO’s Vision* is to be an efficient and commercially focused electricity utility supporting the development of Tanzania and to be the power house of East Africa.

*TANESCO’s Mission* is to generate, purchase, supply and sale electricity in the most effective, competitive and sustainable manner.

# 2.2 Theoretical Review

Culture is a universal phenomenon as there is no society in history without a culture. But culture varies from one society to another. Studies of formal organizations in both Western and non-Western societies have shown the implications of varying cultures for ‘organizational operations and performance’. Multinational organizations operating in different cultural contexts have become sensitive to the potential impact of the culture of a host country on organizational performance. (Brown, 1973 and Hofstede, 1991). Various researchers have developed models to describe different indicators of organizational cultures. Some are described below:

# 2.2.1 [Hofstede's Cultural Dimensions Theory](http://en.wikipedia.org/wiki/Hofstede%27s_cultural_dimensions_theory)

Hofstede (1980) looked for global differences between over 100,000 of IBM's employees in 50 different countries and three regions of the world, in an attempt to find aspects of culture that might influence business behavior. He suggested about cultural differences existing in regions and nations, and the importance of international awareness and multiculturalism for the own cultural introspection. Cultural differences reflect differences in thinking and social action, and even in "mental programs", a term Hofstede uses for predictable behaviour. Hofstede relates culture to ethnic and regional groups, but also organizations, profession, family, to society and sub cultural groups, national political systems and legislation, etc.

Hofstede suggests of the need of changing "mental programs" with changing behaviour first which will lead to value change and he suggests that however certain groups like Jews, Gypsies and Basques have maintained their identity through centuries without changing.

Hofstede demonstrated that there are national and regional cultural groupings that affect the behavior of organizations and identified four dimensions of culture in his study of national cultures:

*Power distance* (Mauk Mulder, 1977) - Different societies find different solutions on social inequality. Although invisible, inside organizations power inequality of the "boss-subordinates relationships" is functional and according to Hofstede reflects the way inequality is addressed in the society. "According to Mulder's Power Distance Reduction theory subordinates will try to reduce the power distance between themselves and their bosses and bosses will try to maintain or enlarge it", but there is also a degree to which a society expects there to be differences in the levels of power.

*Uncertainty avoidance* is the coping with uncertainty about the future. Society copes with it with [technology](http://en.wikipedia.org/wiki/Technology), [law](http://en.wikipedia.org/wiki/Law) and [religion](http://en.wikipedia.org/wiki/Religion) (however different societies have different ways to addressing it), and according to Hofstede organizations deal with it with technology, law and [rituals](http://en.wikipedia.org/wiki/Ritual) or in two ways - rational and non-rational, where rituals being the non-rational. Hofstede listed as rituals the memos and reports, some parts of the accounting system, large part of the planning and control systems, and the nomination of experts.

*Individualism vs. collectivism* - disharmony of interests on personal and collective goals (Parsons and Shils, 1951). Hofstede brings that society's expectations of [Individualism](http://en.wikipedia.org/wiki/Individualism)/[Collectivism](http://en.wikipedia.org/wiki/Collectivism) will be reflected by the employee inside the organization. Collectivist societies will have more emotional dependence of members on their organizations, when in equilibrium - organization is expected to show responsibility on members. Research indicates that some people and cultures might have both high individualism and high collectivism, for example, and someone who highly values duty to his or her group does not necessarily give a low priority to personal freedom and self-sufficiency.

[*Masculinity*](http://en.wikipedia.org/wiki/Masculinity) *vs.* [*femininity*](http://en.wikipedia.org/wiki/Femininity) - reflect whether certain society is predominantly male or female in terms of cultural values, [gender roles](http://en.wikipedia.org/wiki/Gender_role) and power relations.

# 2.2.2 Daniel Denison’s Model

Daniel Denison’s model (1990) asserts that organizational culture can be described by four general dimensions – Mission, Adaptability, Involvement and Consistency.

Each of these dimensions is further described by the following three sub-dimensions:

*Mission* - Strategic Direction and Intent, Goals and Objectives and Vision.

*Adaptability* - Creating Change, Customer Focus and Organizational Learning.

*Involvement* - Empowerment, Team Orientation and Capability Development.

*Consistency* - Core Values, Agreement, Coordination/Integration.

Denison’s model also allows cultures to be described broadly as externally or internally focused as well as flexible versus stable. The model has been typically used to diagnose cultural problems in organizations. Denison’s model is illustrated in the diagram below.



Figure 2.1 - Denison Culture Model

**Source: D.R. Denison, The role of the Board of Directors in shaping corporate culture**

Key:

Colours represent the four dimensions: Blue - Adaptability

Red - Mission

Yellow - Consistency

Green - Involvement

These general dimensions are organized and designed to help one answer key questions about organization.

*Mission:*Do we know where we are going?

*Adaptability:*Are we responding to the marketplace/external environment?

*Involvement:*Are our people aligned and engaged?

*Consistency:*Do we have the values, systems and processes in place to create leverage?

# 2.2.3 Edgar Schein Model

According to [Schein](http://en.wikipedia.org/wiki/Edgar_Schein) (1992), culture is the most difficult organizational attribute to change, outlasting organizational products, services, founders and leadership and all other physical attributes of the organization. His organizational model illuminates culture from the standpoint of the [observer](http://en.wikipedia.org/wiki/Observation), described by three [cognitive](http://en.wikipedia.org/wiki/Cognitive) levels of organizational culture.

*Artifacts* – Artifacts are difficult to measure and they deal with organizational attributes that can be observed, felt and heard as an individual enters a new culture.

*Values* – This level deals with the espoused goals, ideals, norms, standards, and moral principles and is usually the level that is usually measured through survey questionnaires.

*Underlying assumptions* – This level deals with phenomena that remain unexplained when insiders are asked about the values of the organizational culture. Information is gathered in this level by observing behavior carefully to gather underlying assumptions because they are sometimes taken for granted and not recognized. According to Schein, the essence of organizational culture lies in this level.

# 2.2.4 O'Reilly, Chatman and Caldwell Model

O’Reilly, Chatman & Caldwell (1991) developed a model based on the belief that cultures can be distinguished by values that are reinforced within organizations. Their Organizational Profile Model (OCP) is a self-reporting tool which makes distinctions according seven categories - Innovation, Stability, Respect for People, Outcome Orientation, Attention to Detail, Team Orientation, and Aggressiveness. The model is not intended to measure how organizational culture effects organizational performance rather it measures associations between the personalities of individuals in the organization and the organization's culture. Employee values are measured against organizational values to predict employee intentions to stay, and predict turnover. This is done through instrument like Organizational Culture Profile (OCP) to measure employee commitment.

# 2.2.5 Deal and Kennedy

Deal and Kennedy (1982) created a model of culture that is based on 4 different types of organizations. They each focus on how quickly the organization receives feedback, the way members are rewarded, and the level of risks taken. Deal and Kennedy's Four Cultures:

*Work-hard, play-hard culture*

This has rapid feedback/reward and low risk resulting in: Stress coming from quantity of work rather than uncertainty. High-speed action leading to high-speed recreation. Examples: Restaurants, software companies.

*Tough-guy macho culture*

This has rapid feedback/reward and high risk, resulting in the following: Stress coming from high risk and potential loss/gain of reward. Focus on the present rather than the longer-term future. Examples: police, surgeons, sports.

*Process culture*

This has slow feedback/reward and low risk, resulting in the following: Low stress, plodding work, comfort and security. Stress that comes from internal politics and stupidity of the system. Development of bureaucracies and other ways of maintaining the status quo. Focus on security of the past and of the future. Examples: banks, insurance companies.

*Bet-the-company culture*

This has slow feedback/reward and high risk, resulting in the following: Stress coming from high risk and delay before knowing if actions have paid off. The long view is taken, but then much work is put into making sure things happen as planned. Examples: aircraft manufacturers, oil companies.

# 2.2.6 Theories of Employees’ Performance

Researchers have come up with many theories on the issue of motivation and employee performance. Popular among these theories are Douglas McGregor Theory 'Y' which unlike theory 'X' has the view that people love work naturally and see their reward not only in terms of cash benefit but from the satisfaction derived from undertaking difficult works on their own thus providing managers a platform to exploit this wish for self development for maximum productive efficiency, Herzberg Two Factor Theory - a two step theory based on hygiene and motivator factor status, the equity theory which explains motivation in terms of trying to be like the Jones's - social comparison between themselves and their peers, the expectancy theory which indicates that people are motivated by working towards some sort of benefits or bonuses. Even Maslow's Hierarchy of Needs Theory can be applied here. Other researchers like Chris Argyris, Rensis Linkert, Fred Luthans, all gave useful perspectives into the study of motivation and employee performance.

It must be stated however that a single theory might not be sufficient to explain what motivates performance. Also, what motivates performance for a particular level of staff might not be the same for another level of staff i.e. junior and senior/ management staff for example, what influences individual differs. Referring to a research carried out by a Nigerian Isaac Izechukwu in 1990, titled "Monetary Rewards and Job Satisfaction - A Case Study of the Staff of Afribank Nigeria". One of the findings was that whereas senior level staffs were more interested in recognition, overseas training to improve capacity, etc, junior staffs were more ready to accept cash bonuses to elicit productive efficiency.

Environmental influences and differences may make a theory work in one place while making it irrelevant in another. In all these, the challenge to managers is not only to understand the theories but also the peculiar psychological environment devoid of de-motivating while at the same time one which encourages any of the theories to work.

# 2.3 General Discussion

# 2.3.1 Culture Aspects within TANESCO

*Rules, norms, values and ethical codes*: TANESCO has its own norms, rules, values and ethical codes that are effectively abided by employees. They are embedded in the artifacts, symbols, booklets, attitudes, and so on.

*Rituals, Ceremonies and Celebrations*: This allows coworkers to recognize others for living up to TANESCO's core values. They have quarterly contests for regions on Productive Development Program (PDP), those who are performing better are rewarded PRIDE certificates and bonuses on top of their salaries. There is also an annual best workers award for every region, head office departments and overall best worker of the company, these are awarded on every workers day of the year. Furthermore, there are Family Day ceremonies which are also done once per year in every region and at head office.

*Communication*: Formal and informal communication is consistently be emphasized at all levels of the company. There exist effective upward and downward communications within the company.

*Career Development*: The Company is committed to its employee’s professional growth. This is done in small, incremental steps. But it becomes more formal over time by subscribing to various learning programs or developing management training courses.

*Language*: English and Swahili languages are essentially an important part of the culture within the company.

*Religion and Beliefs*: The religion and the beliefs of the people in a civilization play an important role in shaping up of the culture, as the case for the Tanzania nation, in TANESCO as well, there exist two main religions – Islams and Christians who are behaving in a civilized way.

*Status and Roles*: A status or a role is nothing but a slot or position within an organization, which gives an overall idea of the organizational structure and hence is an important element of culture. In TANESCO, there is clear and defined Organizational Structure (**attached as Appendix 3**).

# 2.4 Empirical Study

Olu Ojo (2009) analyzed and assesses empirically the impact of corporate culture on employee job performance as well as organizational productivity using Nigerian banking industry as the case study. He tries to ascertain if organizational culture affects employee job performance, and to formulate recommendations regarding corporate culture and employee job performance. He comes out with the result that majority of the respondents strongly agrees that corporate culture has effect on employee job performance, and that Majority of the employees respondents agree that corporate culture has effect determines the productivity level of the organisation.

Daniel Denison (1984) studied a convenient sample of 34 firms representing 25 different industries. He found that two indices, “organization of work” and “decision making”, were found to be significantly correlated with financial performance. In addition, he found that the strength of the culture was predictive of short-term performance, when performance was defined with broad indicators like return on assets, return on investment and return on sales, etc.

Gordon and DiTomaso (1992) in a follow-up study found the supporting evidence that a strong culture was predictive of short-term company performance. In an attempt to replicate Denison's (1984) study, they also defined cultural strength using the inverse of standard deviations across the scales in their instrument. They then correlated their management surveys of 11 US insurance companies with their asset and premium growth rates for the following five years. “They found that a strong culture ‘regardless of content’, in which a substantive value was placed on the value of ‘adaptability’, was associated with stronger performance, at least in the preceding three years.” More importantly, they found that a cultural value of “adaptability” is also predictive of short-term performance. They therefore postulated that while both a strong culture, and an appropriate culture from the standpoint of content, will produce positive results, a combination of both is most powerful. This finding was important as it introduces the concept of fit into culture-performance studies.

Julia C. Naranjo, Valencia, Requel Sanz Valle and Daniel Jime’ nez (2010), they made study on empirically the relationships among organizational culture and product innovation. Findings are recorded as, Organizational culture is considered to be one of the key elements in both enhancing and inhibiting innovation. The findings provide evidence about this proposition. While adhocratic cultures could enhance the development of new products or services, hierarchical cultures inhibit product innovation. Practical implications are that, first, in order to increase product innovation; companies should foster cultures with external and flexibility orientations. Moreover, the paper suggests that values, beliefs and assumptions that are coherent with adhocratic culture are key drivers for developing new products or services.

Angela Sinickas (2006), Argues that Corporate culture can help drive business results, but it takes a cultural audit to differentiate which elements of the culture can lead to superior performance. Angela Sinickas conducts employee engagement surveys that are specifically designed to measure the correlation between employee behaviors and attitudes that define an organization‘s culture and its financial results. The questions are developed in two categories: behavior defining outcomes with financial value and behaviors and attitudes describing inputs that could affect those outcomes.

Ouchi and Jaeger (1978) made an evaluative study of the differences between American and Japanese cultures. According to them, the American culture is characterized by short-term employment, individual decision-making, individual responsibility rapid evaluation and promotion, explicit, formalized control, specialized career paths and segmented concern. On the other hand, Japanese culture is characterized by lifetime employment, consensual decision making, collective responsibility, slow evaluation and promotion, implicit formal control, non-specialized career path and holistic concern. This description exhibits a sharp and marked contrast between the two cultures.

# 2.5 Research Gap

There is clearly some evidence that organizational culture plays a role in the success of organizations. Even though there is a lot of research undertaken on organizational cultures in general, there is little specifically on the role of culture in the electricity (utility) industry and how this relates to its performance.

What has been done in terms of empirical research has contributed to knowledge of how organizational culture impacts an organization’s performance, through approaching investigation into culture with appropriate qualitative research techniques. Still, there is clearly a gap in the literature to be filled concerning in particular the role of culture in the performance of the companies of this nature. This researcher’s research question will attempt to start closing this gap when addressing the effects of organizational culture in TANESCOs’ success. Generally, little research exists on the role of culture and values in Tanzanian organizations.

**2.6 Conceptual Framework**

**Organizational Culture**

Religion & Beliefs,

Rules, Norms, Values & Ethical Codes

Rituals, Ceremonies & Celebrations,

Career Development,

Communication,

Statuses & Roles.

**Organizational Performance**

Higher Pay,

Increased Profitability,

Increased Morale & Commitment,

Job Satisfaction,

Less Turnover

Employees’ attitudes & behaviour

Customer attitudes & behaviour

Figure 2.2: Conceptual Framework

**Source: Researcher, (2010)**

From Figure 2 above, it can be discerned that there is a relationship between organizational culture and the employees’ performance, as the two important factors that influence organizational performance, employee and customer's attitude and behavior are impacted by organizational culture in some degree. The improvement of organizational culture identity can guarantee sufficient exertion of organization common employee's enthusiasm and knowledge system.

Employees are motivated to establish uniform goal, as same as the goal of organization, and keep pace with organization's goal while struggle individually, which will encourage the employee's working enthusiasm greatly, improve work efficiency, and reduce trade cost inside organization effectively; Besides, organizational culture promotes the will that the staff take action in organization's responsibility or broader field voluntarily, make them pursue the completion of service for others actively, and improve the satisfaction of external interests relatives; Organizational culture promotes the group to study, improves employee's work skills in order to increase work productivity, thus improve the relative value of products or service.

Employees are direct creators of organization's value, while creating value, on one hand the staff fasten their own intelligence, physical ability on the production of better products or service; On the other hand, through positive connection and cooperation with external environment, for instance, market investigation, questionnaire investigation, etc., they understand customer's demand and suggestion, improve or produce new products or service. Consequently, employee plays the most basic role to organizational performance.

On the other hand, customers demand not merely including satisfactory products, service and solution; they also hope to buy a kind of product which is connected emotionally with a certain product or trade mark of a company, or one kind of product or service which has the scheme of solving the problem and reflect the brand identity concurrently. For that reason, it depends on organizational culture in establishing customer's trust and loyalty further. Organizational culture, on one hand, impresses customers with a good brand image; on the other hand, lead administrators and staff pay close attention to customers much more, cooperate together and work hard for the common goal, as well as observe customer demand voluntarily. It makes administrators and staffs treat customers consistently, fairly and reasonably which facilitate getting and keeping loyal customer even more. The customer brings economic performance to organizations through purchasing products or service.

Based on the above analysis, organizational culture is an effective factor that determines whether the organization can obtain outstanding performance or not, it is an effective factor that determines organization's response and attitude to particular incident and external change of environment too. Organizational culture can influence organizational performance through employees and customers.

# CHAPTER THREE

# 3.0 RESEARCH METHODOLOGY

#

# 3.1 Research Paradigm

Research philosophy provides the way a researcher thinks about the development of knowledge researcher’s philosophical orientation and the nature of the problem being studied (Saunders et al, 2007). Some researchers tend to be positivists, others ascribe to the interpretive paradigm, while others may be called realists. All the three views are different but have an important part to play in research.

The study applied interpretive because it requires the researcher to grasp the subjective meaning of social action and because of its credence to exploratory as well as quantitative research approaches. Saunders and colleagues (2007) define interpretive as a research philosophy that requires the researcher to seek to understand subjective reality and meanings of participants. This was adopted since this study investigated a phenomenon as subjective reality and there are multiple realities. Proctor (1998) suggests that among the various factors that influence reality construction, culture, gender, and cultural beliefs are the most significant. This view holds that all social phenomena depend on the environmental context in which they occur and thus can only be interpreted for that context according to the observer’s perceptual framework. Thus generalization is of little importance. Emphasis was placed upon the subjective meanings that research participants attach to social phenomena. Ideas were developed through induction from data and each situation was examined upon in its totality.

# 3.2 Research Design

The research method adopted in this research work is the quasi- experimental via the descriptive method of research. This was considered appropriate because of the nature and peculiarity of the subject matter. In addition, it permits an exposition or gives insight into what the effect of culture is and how it intends to hinder employee performance in TANESCO.

# 3.2.1 Area of Study

The choice of study area was greatly influenced by the fact that TANESCO is a large organization with branches in every region and district in the country. Also the end result must be a true representative sample of the whole population in the study, that is, the results must be a true representation of whole population. In this study, Dar es Salaam was chosen as a study area because of being a commercial centre and heart of the economy of Tanzania. Also almost all headquarters of public sectors are located at this city. Second, selection was based on the researcher’s accessibility to the required data. Otherwise, Dar es Salaam was chosen for this study due to limited time and fund, which restricted the researcher to collect data countrywide. “Limited time …dictates that we should estimate the characteristic by studying a smaller group of individuals in the population,” (Barnett, 1991).

# 3.2.2 Population of the Study

Population for the study involved TANESCO head office, and four Dar es Salaam regional offices namely Kinondoni North, Kinondoni South, Ilala, and Temeke. The whole population consists of 906 employees.

Table 3.1: Population Profile

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Office** | **Sampled Population** | **Engineering** | **Accounting** | **Administration** | **Marketing** | **Total** | **Senior Managers & Directors** | **Principal Officers** | **Junior & Senior Officers** | **Total** |
| Head Office | 40 | 13 | 10 | 9 | 8 | **40** | 6 | 16 | 18 | **40** |
| Kinondoni North | 20 | 7 | 8 | 3 | 2 | **20** | 1 | 1 | 18 | **20** |
| Kinondoni South | 15 | 5 | 4 | 4 | 2 | **15** | 1 | 1 | 13 | **15** |
| Ilala | 18 | 9 | 6 | 2 | 1 | **18** | 1 | 1 | 16 | **18** |
| Temeke | 16 | 6 | 7 | 2 | 1 | **16** | 1 | 1 | 14 | **16** |
| **Total** | **109** | **40** | **35** | **20** | **14** | **109** | **10** | **20** | **79** | **109** |

**Source: Field Survey**

# 3.2.3 Sampling and Sample Size

The constructs were measured by using a sampling frame. The sampling frame is a list of all those in a population that can be sampled (Leslie, 1995). The study population refers to an entire set of individuals on which the research findings are made (Mugenda and Mugenda, 2003). A sample is a sub-set of larger population (Richard, 1995). Sample size depends on degree to which the sample approximate qualities and characteristics of the overall population (Msonge, 2002). Leads (1980) suggests that the following factors should be considered when deciding a sample size: the degree of precision required variability of the population and the method of sampling to be used. The study population involved a population of 906 employees of TANESCO, whereby a sample size of 109 employees was selected. Respondents were drawn from four departments, engineering, accounting, administration and marketing departments which falls within the four Offices in Dar es Salaam.

The attained sample size was given by:

n = Z2 P (1 - P)

 (e)2

Where: n = required sample size

 P = proportion of employees in the selected area

 Z = standardized score corresponding to the level of confidence selected

For the purpose of this study, a confidence level of 95% and sampling error of 5% were considered relevant.

Hence, the required sample was given by:

 n = (1.64)2 \* 0.115 \* (1 – 0.115)

 (0.05)2

 n = 109.44

Therefore, the required sample size was chosen to be 109. This is believed to be large enough to reduce sampling errors and statistically analyze the results.

###

# 3.2.4 Sampling Procedures

Sampling selection is the process of selecting a sufficient number of elements from the population (Sekaran, 2003). Different sample selection methods were used to select respondents for the study. Purposive sampling was used for senior managers while stratified sampling was used for middle managers and simple random sampling was used for support staff. Among senior managers and directors, 10 respondents were selected by using purposive sampling, from principal officers, 20 respondents were selected by using stratified random sampling. Lastly, among senior and junior members of staff, 79 respondents were selected using simple random sampling. This brings the total to 109.

Table 3.2: Sample Drawn from the Population

|  |  |  |  |
| --- | --- | --- | --- |
| **Office** | **Total population** | **Sampled Population** | **% of total population sampled** |
| Head Office | 362 | 40 | 11 |
| Kinondoni North | 123 | 20 | 16 |
| Kinondoni South | 128 | 15 | 12 |
| Ilala | 180 | 18 | 10 |
| Temeke | 113 | 16 | 14 |
| **Total** | **906** | **109** | **12** |

**Source: Field Survey**

# 3.3 Data Collection Methods

The decision regarding data collection methods is guided by two important factors, mainly, the material under study and type of information required (see also Yates, 2000). In this study, primary data were collected by using questionnaires and interview, while secondary data were collected by using documentary reviews.

# 3.3.1 Primary Data

Primary data were collected specifically for the research being undertaken (see also Saunders *et al,* 2007). Primary data were collected using survey and interview methods:

*Simple survey*: This is the method of collecting and gathering information from part of the population by using a structured questionnaire (Mann, 1995). Questionnaire comprising open and close ended questions were used to obtain views from different respondents, the selected TANESCO staffs were given questionnaires prepared by the researcher (**Appendix 1**). To get the responses back from respondents, the researcher had to make several follow ups, only 68 out of 109 questionnaires were returned dully filled.

*Interviews*: senior TANESCO officials including Chief Financial Officer and Senior Manager Human Resources were interviewed to get their insight perceptions over the subject matter.

# 3.3.2 Secondary Data

Secondary data were collected for purposes other than the immediate study (Churchill and Brown, 2007) that may be published or unpublished. Secondary data for this study were gathered from TANESCO policy documents, company’s magazines, bulletins, in-house newsletters, annual reports, books and journals. I also explored some of the reference material through online sources namely - Emerald, Jstor and 4shared websites. They were carefully studied and only relevant information was incorporated in the study.

# 3.4 Data Analysis

# 3.4.1 Data Cleaning

Data cleaning is the process of detecting and correcting errors which leads to consistency in data. It includes identification of missing data, removal of duplicating data, detecting entry error and checking for inconsistency of data. Data collected during the study were checked for correctness, accuracy, clarity and uniformity. This is important because it involves corrective action like computation of statistics, data coding, dropping, imputation of missing data and making required quality data (Muller, 2010).

# 3.4.2 Data Coding

Coding refers to an analytical process in which data, in both quantitative form and qualitative are categorized to facilitate analysis. It means transformation of data into a forum understandable by computer software (Hay, I. 2005). Numerical data were analyzed by computing percentages for quantification purposes. Findings from observation and documentation were analyzed quantitatively and qualitatively. Quantitative data were analyzed by using excel tabulation. Under this software chi-square tests were done, which involved testing of variables (independent variable and dependent variables). Independent variables culture that is said to affect dependent variable (organizational performance) was summarized by using frequency table. Further analyses in the studying hypothesis such variables were done.

But before drawing conclusions, the Chi-square test of significance was used to weigh the evidence suggested by the data before reaching any given conclusion. The output of the model is evaluated at 5% level of significance (95% level of confidence), which is given by (row-1) (column – 1).

# 3.4.3 Decision Criteria

If our chi-square value is *equal to or greater than*the table value, we reject the null hypothesis: *differences in our data are not due to chance alone.* That is to say if the model output exceeds the tabulated out put the result is statistically significant (X2 cal > *X*2 tab). If the tabulated output exceeds the model output, the result is not statistically significant (*X*2 tab > *X*2 cal).

# 3.5 Data Presentation

To achieve the objectives of this study questionnaire were administered to four departments in TANESCO namely: Engineering department, accounting department, administration department and marketing department. Of the questionnaire administrated, sixty eight (68) representing 62% were completed and retuned in useable form while forty one (41) questionnaires representing 38% were not returned for details, refer to Table 3 below:

Table 3.3: Questionnaire Distribution

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Department** | **Returned** | **% of Return** | **Not Returned** | **% of Not Returned** |
| Engineering | 28 | 41% | 12 | 29% |
| Accounting | 24 | 35% | 11 | 27% |
| Administration | 12 | 18% | 8 | 20% |
| Marketing | 4 | 6% | 10 | 24% |
| **Total** | **68** | **100%** | **41** | **100%** |

**Source: Field Survey**

Table 3 above shows that questionnaire were sent out, 40 to engineering department, 35 to accounting department, 20 administration department and 14 marketing department. The analysis shows that 28 in engineering department (41%) returned their completed questionnaires, 24 in accounting department (35%), 12 in administration department (18%) and 4 in marketing department (6%) returned all their completed questionnaires.

# 3.6 Validity and Reliability

Joppe (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study. The results of a study can be reproduced under a similar methodology, and then the research instrument would be considered to be reliable. Embodied in this citation is the idea of reliability or repeatability of results or observations. Validity on the other hand determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, it implies the ability of the research instrument to hit the boll eye of its research object.

So far, the definitions of reliability and validity in quantitative research reveal two strands: First, with regards to reliability. The idea is to know whether the result is replicable. Second, with regards to validity the interest is to know whether the means of measurement are accurate and whether they are actually measuring what they are intended to measure. One measure of reliability and validity in quantitative research is triangulation. Patton, (2001) advocates the use of triangulation by stating that “triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including using both quantitative and qualitative approaches”. To ensure reliability and validity of the study, different sources of data were used. Known information about the data was collected. Chi-square was used to check the validity and reliability of the data collected by comparing observed data with data expected to obtain according to availed hypothesis. If chi-square value is less thanthe table value, we accept the null hypothesis. If otherwise we reject it and accept the alternative hypothesis.

# 3.7 Ethical Considerations

The study was approved by the Open University of Tanzania. The researcher also obtained permission to conduct research from Senior Manager Human Resources – TANESCO Head Office. Care was taken to preserve the confidentiality of all respondents who were involved in this study.

# CHAPTER FOUR

# 4.0 RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

4.1 Demographic Results

Table 4.1: Demographic Results

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Position Level | Junior Staff | Senior Officers | Principal Officers | Senior Managers/ Directors |
| 16 | 21 | 17 | 14 |
| 24% | 31% | 25% | 21% |
| Highest academic qualification. | O' Level Secondary | A' Level Secondary | 1st Degree | Masters Level |
| 0 | 36 | 20 | 12 |
| 0% | 53% | 29% | 18% |
| Years experience in employment. | Less than 1 year | 1 - 5 years | 6 - 10 years | 10+ years |
| 0 | 11 | 25 | 32 |
| 0% | 16% | 37% | 47% |
|  | Male | Female |
| Gender | 42 | 26 |
|  | 62% | 38% |
|  | Below 30 | Between 31 - 40 | Between 41 - 50 | Over 50 |
|  Age | 6 | 28 | 23 | 11 |
|   | 9% | 41% | 34% | 16% |

**Source: Field Survey**

Of those who completed the survey, 62% were male and 38% female. Gender status was important as it is a variable that shows the extent of an individual’s social commitment in relation when it comes to interaction with others and it was also analyzed in order to check whether both sexes were given chances to participate in the study.

Furthermore, the researcher needed to know the age distribution of respondents so as to get balanced views because TANESCO employs a lot of workers of different sorts. Of those completing the survey 16% were aged over 50, 34% between 41 and 50, 41% between 31 and 40 and the remaining 9% were aged below 30 years.

Level of education of respondents was considered because it is one of the factors that influence one’s understanding towards the subject matter. Academically, 18% were having Masters Degree, 53% Undergraduate Degree or Advance Diploma, 26% Advanced Level Secondary Education, and none having Ordinary Level Secondary Education.

Respondents were requested to indicate their time they were within the company. This was considered significant variable because it has relationship with for how long an individual’s has an experience, exposure and much information about the company’s culture. The percentage of respondents having been with the company 10 years or more is 47%, Those having been with the company for 6 to 10 years total 37%, and the remaining 16% had been with the organization for 5 years or less, none having been with the company for less than one year. Secondly, about 84% of the respondents have spent 6 years or more with the company. This can be a sign that – should it be representative for the organization as a whole – the majority will have a good idea of what kind of culture is present and what values are accepted, which in return can mean the culture is deep-seated.

From the survey respondents’ demographic data above, there are issues that stand out and merit some comments. First, it can be noted that 50% of the respondents are over 40 years of age. Age is often said make a difference as to willingness to change, especially in terms of deep seated values and beliefs. This may or may not make a difference in the event where it is concluded that a particular culture or some values are emphasized too much or too little.

# 4.2 Research Results Section 1: Normative Questions

**Has culture any influence on employee performance in TANESCO?**

Table 4.2: Section 1 Question 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Department** | **Yes** | **% of Responses** | **No** | **% of Responses** | **Total** |
| Engineering | 20 | 30% | 8 | 12% | 28 |
| Accounting | 17 | 25% | 7 | 10% | 24 |
| Administration | 10 | 15% | 2 | 3% | 12 |
| Marketing | 3 | 4% | 1 | 1% | 4 |
| **Total** | **50** | **74%** | **18** | **26%** | **68** |

**Source: Field Survey**

Response in the questionnaire table 5 above shows that out of the total 68 respondents, 50 said “yes” representing 74% of respondents who agreed that culture has influence on employee performance while 18 said “no” representing 26%.

**Does culture create opportunity to improve the performance of employees in TANESCO?**

Table 4.3: Section 1 Question 2

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Department** | **Yes** | **% of Responses** | **No** | **% of Responses** | **Total** |
| Engineering | 18 | 26% | 10 | 15% | 28 |
| Accounting | 13 | 19% | 11 | 16% | 24 |
| Administration | 5 | 7% | 7 | 10% | 12 |
| Marketing | 3 | 4% | 1 | 1% | 4 |
| **Total** | **39** | **57%** | **29** | **43%** | **68** |

**Source: Field Survey**

Response to table 6 shows that 39 representing 57% agreed that culture creates an opportunity to improve the performance of employees in TANESCO and 29 representing 43% says no.

**Do needs of employees from different cultural background fit into the overall objectives of TANESCO?**

Table 4.4: Section 1 Question 3

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Department** | **Yes** | **% of Responses** | **No** | **% of Responses** | **Total** |
| Engineering | 8 | 12% | 20 | 29% | 28 |
| Accounting | 6 | 9% | 18 | 26% | 24 |
| Administration | 4 | 6% | 8 | 12% | 12 |
| Marketing | 1 | 1% | 3 | 4% | 4 |
| **Total** | **19** | **28%** | **49** | **72%** | **68** |

**Source: Field Survey**

Table 7 shows that 19 representing 28% agreed that the needs of employees from different cultural background fit into the overall objectives of TANESCO and 49 representing 72% says no.

**Is TANESCO's management team open in sharing information (both positive and negative) throughout all levels of the organization?**

Table 4.5: Section 1 Question 4

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Department** | **Yes** | **% of Responses** | **No** | **% of Responses** | **Total** |
| Engineering | 15 | 22% | 13 | 19% | 28 |
| Accounting | 13 | 19% | 11 | 16% | 24 |
| Administration | 6 | 9% | 6 | 9% | 12 |
| Marketing | 2 | 3% | 2 | 3% | 4 |
| **Total** | **36** | **53%** | **32** | **47%** | **68** |

**Source: Field Survey**

Table 8 shows that 36 representing 53% agreed that TANESCO's management team is open in sharing information throughout all levels of the organization and 32 representing 47% says no.

# 4.3 Testing of Hypotheses

For each original hypothesis known as the null hypothesis, there is an alternative hypothesis, in the test to be conducted, we accept the null hypothesis if tabulated value is greater than expected value, otherwise we reject the null hypothesis at 0.5 or 5% significance level.

Chi-square calculations were done in excel, respective tables are attached in the appendix section as **Appendix II**. If our chi-square value is less thanthe table value, we accept the null hypothesis. If otherwise we reject it and accept the alternative hypothesis.

**Hypothesis One**

***Ho: Culture has influence on employee performance in TANESCO.***

In testing the null hypothesis the alternative hypothesis is created so as to be accepted in case the null hypothesis is rejected. The alternative hypothesis is the negative of null hypothesis and is represented by *HI* and is as follows:

Since chi square (*X2*)= 0.750 < tabulated value 7.815 we accept null hypotheses *Ho* and alternative hypothesis *HI* is rejected. It means that culture has influence on employee performance in TANESCO.

***HI: Culture has no influence on employee performance in TANESCO.***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Department | Yes | % of Responses | No | % of Responses | Total |
| Observed | Expected | Observed | Expected |
| Engineering | 20 | 20.59 | 30% | 8 | 7.41 | 11% | 28 |
| Accounting | 17 | 17.65 | 26% | 7 | 6.35 | 9% | 24 |
| Administration | 10 | 8.82 | 13% | 2 | 3.18 | 5% | 12 |
| Marketing | 3 | 2.94 | 4% | 1 | 1.06 | 2% | 4 |
| **Total** | **50** | **74%** | **18** | **26%** | **68** |

**Hypothesis Two**

***Ho: Culture creates opportunity to improve the performance of employees in TANESCO***

***HI: Culture does not create opportunity to improve the performance of employees in TANESCO.***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Department | Yes | % of Responses | No | % of Responses | Total |
| Observed | Expected | Observed | Expected |
| Engineering | 18 | 16.06 | 14% | 10 | 11.94 | 27% | 28 |
| Accounting | 13 | 13.76 | 12% | 11 | 10.24 | 23% | 24 |
| Administration | 5 | 6.88 | 6% | 7 | 5.12 | 12% | 12 |
| Marketing | 3 | 2.29 | 2% | 1 | 1.71 | 4% | 4 |
| **Total** | **39** | **34%** | **29** | **66%** | **68** |

Since *X2*= 2.366 < 7.815, we accept null hypotheses *Ho* and reject alternative hypothesis *HI.* Therefore we conclude that culture create opportunity to improve the performance of employee in TANESCO.

**Hypothesis Three**

***Ho: The needs of employee from different cultural background fit into the overall objectives of TANESCO.***

***HI: The needs of employee from different cultural background do not fit into the overall objectives of TANESCO.***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Department | Yes | % of Responses | No | % of Responses | Total |
| Observed | Expected | Observed | Expected |
| Engineering | 8 | 7.82 | 12% | 20 | 20.18 | 30% | 28 |
| Accounting | 6 | 6.71 | 10% | 18 | 17.29 | 25% | 24 |
| Administration | 4 | 3.35 | 5% | 8 | 8.65 | 13% | 12 |
| Marketing | 1 | 1.12 | 2% | 3 | 2.88 | 4% | 4 |
| **Total** | **19** | **28%** | **49** | **72%** | **68** |

Since *X2* = 2.99 < 7.815, we accept null hypotheses *Ho* and reject alternative hypothesis *HI*. Therefore we conclude that the needs of employee from different cultural background fit into the overall objectives of TANESCO.

**Hypothesis Four**

***Ho: TANESCO's management team is open in sharing information throughout all levels of the organization.***

***HI: TANESCO's management team is not open in sharing information throughout all levels of the organization.***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Department | Yes | % of Responses | No | % of Responses | Total |
| Observed | Expected | Observed | Expected |
| Engineering | 15 | 14.82 | 22% | 13 | 13.18 | 19% | 28 |
| Accounting | 13 | 12.71 | 19% | 11 | 11.29 | 17% | 24 |
| Administration | 6 | 6.35 | 9% | 6 | 5.65 | 8% | 12 |
| Marketing | 2 | 2.12 | 3% | 2 | 1.88 | 3% | 4 |
| **Total** | **36** | **53%** | **32** | **47%** | **68** |

Since *X2* = 0.074 < 7.815, we accept null hypotheses *Ho* and reject alternative hypothesis *HI*. Therefore we conclude that TANESCO's management team is open in sharing information throughout all levels of the organization.

# 4.4 Research Results Section 2: Likert Scale Responses

Table 4.6: Section 2 Question 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response** | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| TANESCO's organization is a very controlled and structured place. Formal procedures generally govern what people do.  | 16 | 33 | 10 | 7 | 2 |
| Percentage | 23% | 49% | 15% | 10% | 3% |

**Source: Field Survey**

About 72% of the respondents agree with the fact TANESCO's organization is a very controlled and structured place. 15% are indifferent and about 13% disagreed with the statement. In TANESCO, structures have been created to regulate and control behavior of the employees and therefore to achieve organizational goals. TANESCO being a parastatal organization is governed by a well developed organizational structure which consists of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims.

Table 4.7: Section 2 Question 2

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response** | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| Organizational culture is important to the performance of the organization.  | 21 | 27 | 12 | 5 | 3 |
| Percentage | 31% | 40% | 18% | 7% | 4% |

**Source: Field Survey**

71% of the respondents considered organizational culture to be an important element in the company. 18% are neither agreed nor disagreed, 7% disagreed and 4% were strongly disagreed with the fact that organizational culture is important to the performance of the organization. As the majorities agree with this fact, it therefore goes without saying that culture and performance have mutually reciprocating relationship. Strong culture helps building high performance company, the past performance and successes shape influence people behaviours which with time become part of the culture.

Table 4.8: Section 2 Question 3

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response** | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| Culture is the core of what your organization is and what your organization cherishes. | 18 | 26 | 10 | 12 | 2 |
| Percentage | 26% | 38% | 15% | 18% | 3% |

**Source: Field Survey**

Most of the employees are indifferent about values in this aspect. About 26% strongly agree, 38% agree, 15% neutral while the rest 21% disagree with the fact that values are the core of what organization is and what it cherishes. The result from this do tells us that there is a no balance between those who agree and those who disagree. This implies that most employees especially at the lower cadre have not an idea and understanding of culture that surrounds their company.

Table 4.9: Section 2 Question 4

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response** | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| TANESCO's corporate culture provides the opportunities for employees to love what they do, and give them opportunities to achieve success. | 32 | 19 | 9 | 5 | 3 |
| Percentage | 47% | 28% | 13% | 7% | 4% |

**Source: Field Survey**

47% percent of the respondents reported they “strongly agree” to this statement, while 28% “agree” with this. This means 75% of the respondents rate organizational culture as something positive for the organization and its daily performance. It also shows that respondents actually believe a well-functioning organizational culture will make a difference to the organization’s performance. With 75% of respondents indicating that they agree with culture being important, this can signify a willingness to develop a unitary culture where all members of the organization pull in the same direction. Only 13% of total responses said they did not have an opinion and 12% disagreed.

Table 4.10: Section 2 Question 5

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response** | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| Employees in TANESCO feel tremendous pride in their work and the company. | 19 | 28 | 12 | 5 | 4 |
| Percentage | 28% | 41% | 18% | 7% | 6% |

**Source: Field Survey**

69% of all respondents agree with the statement “Employees in TANESCO feel tremendous pride in their work and the company”. Only 18% were neutral and only 13% disagreed with this statement. This implies that employees are satisfied that the employer provides them with what expected of it, in return, they are indebted to work for it. In fact, employers value employees they can trust and who exhibit their loyalty to the company. A greater part of the respondents agreed that management and employees maintain a high level of respects for one another. About 75% agreed with 41% strongly agreed, minority 6% are indifferent while the rest disagreed. Employees do not operate well in a climate of fear. It makes a lot more sense to instill a meaningful sense of corporate loyalty. Workers should always feel free to interact and relate and respect to one another.

Table 4. 11: Section 2 Question 6

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response** | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| Management and employees alike maintain a high level of respects for one another. | 24 | 27 | 4 | 9 | 4 |
| Percentage | 35% | 40% | 6% | 13% | 6% |

**Source: Field Survey**

#

# 4.5 Research Results Section 3: Open-ended Questions

**What are other variables that determine company’s performance?**

Factors especially external variables such as the economy, technology and the conducive political climate within the country were mentioned to influence organizational performance significantly and much more than internal variable such as size, structure, and style of management. Other variables mentioned are:

**Equity and expectation:** Basically, people expect to be treated equally, within the company and as others are in similar companies; they expect to get a certain reward for a certain effort; and they expect to get promoted if they undergo training. All these factors are inter-related and affect the amount of effort people are prepared to put in.

**Task or role perception:** The direction in which the person wishes to channel his or her effort and ability. This varies according to such factors as whether or not the job is seen to be important or of value; in itself, to the organisation, to workmates, as well as to the individual. Standards and job descriptions must be known and understood.

**Environmental factors:** Those factors over which an individual has no control, eg: the job may have been completed under severe time constraints, with a lack of adequate resources, or by using obsolete equipment; there may have been conflicting priorities or information overload, such that the individual was confused and under stress; other staff and departments may have been less than cooperative; the restrictive policies of the organisation may have prevented the individual from using her initiative and imagination to the extent that she wished; the quality of the supervision exercised may have been defective - some people need encouragement and support, whereas others like to be left to get on with the job. These cannot be used as excuses for poor performance, but they do have a modifying effect.

**Technology:** Innovation and technology affect business environments. As technology advances, a business is forced to keep pace. For example, when computers were first invented, they were the size of a room. Users were forced to employ punch cards to perform basic functions. Today, computers that are much more powerful can fit into the palm of a hand. Businesses that do not keep up with technology risk increased costs of production and higher prices. If the company's cost to produce a product or service outpaces competitors, the company may soon find itself out of business.

**What specific cultural characteristics make TANESCO employees be committed to their job?**

They mentioned that:

Payments of bonuses, overtime and best workers rewards have a positive and direct impact with employees’ commitment.

Communication: The use of common languages, English and Swahili. Both languages are used to facilitate ease of communication within the company. Also, the use of communication technologies through powerful media tools such as computers, televisions, cell phones. The modern technologies have gradually exposed universal culture that can easily be transmitted.

The concept of commitment was pointed by many of the respondents as a primary reason why operations have been successful in the past. Staff have been said to show this commitment through using a lot of discretional effort to do whatever necessary to avoid disruption of their services to customers. Staff coming to work on their days off, in particular emergency staffs who are coming to attend emergency power breakdowns. It is perceived to be part of the integrity of the employees.

It was recognized that emergency staffs may or may not care about “colleagues” in the other departments who are having rest days especially on Saturdays, Sundays and during public holidays. Yet, this shows strong commitment to the company and fellow employees, and also a great sense of ownership.

**How does the internal communication facilitate the existence of strong culture within the company?**

Internal communication channels in TANESCO include face-to-face meetings, internal emails, newsletters and memos. These communications are daily practiced between managers and employees, and communications between peers. There exist two basic channels – formal and informal. Both are important and both carry messages – sometimes reinforcing and sometimes conflicting – throughout the organization.

Respondents pointed out that the channels of communication within the company though they are not open enough but are effective. Open and effective communication is absolutely essential for the success of the company, for without it the activities of various functions such as engineering, administration, finance and marketing cannot be possibly coordinated.

Commenting on additional issues, the following were noted from the respondents:

That culture is important in TANESCO but that it appears to be driven by a few people at the top. These people push the organization in the direction they thought the company should be heading.

It was emphasized that there is a cultural divide within the organization, with staff coming from different backgrounds and therefore having different mindsets. The target, however, is to give staff the right environment in which to deliver good service. The organization intends to take the good elements from each unit and wrap them into one great culture.

A comment was made saying that culture is not going to matter in performance unless managers understands it and know how to translate this connection into action. Without acting it out themselves and showing they know how to, staff are not likely to buy into it. Moreover, there was a perception that staffs are going to work well for their manager, and in the event where they do not like their manager they are not going to work well for them. Ultimately, if staffs get along with their managers, they are going to work well, and this can translate into increased performance.

In comparison with previous research works; Olu Ojo (2009) analyzed and assesses empirically the impact of corporate culture on employee job performance and productivity in Nigerian banking industry. Daniel Denison (1984) studied a convenient sample of 34 firms representing 25 different industries. Gordon and DiTomaso (1992) replicate Denison's (1984) study. Julia C. Naranjo, Valencia, Requel Sanz Valle and Daniel Jime’ nez (2010), they made study on empirical relationships among organizational culture and product innovation, and Ouchi and Jaeger (1978) made an evaluative study of the differences between American and Japanese cultures. All of the above studies can be categorized as large scale research works in that they either involved large multinational firms or cross section of many firms/industry or across different nations. This research has explored the impact of culture on performance in a single utility company but it goes deeper to explore other variables which affect performance such as economy, technology, polity, equity and expectation, task or role perception, environment and technology.

# CHAPTER FIVE

# 5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

# 5.1 Summary of Findings

It is important to reiterate that this research work was embarked upon with the main objectives of finding out and evaluating the impact of organizational culture on employee’s performance in TANESCO. To this end, culture was used as the independent variable while performance served as the dependent variable.

The methodologies and findings of researches shows that culture and performance were considered interrelated. (Lim, 1995) The sustainable competitive advantage of organizational competencies has been related to superior and imitable relationship with0competitors0 (Saa-Pe’re and Garcia-Falcon, 2002). The value of culture based upon degree of performance has been managed with practitioners and academics (Denison, 1990).

Zakaria (1997) has contended that one of the relevant determinants of organizational performance is employee behaviour. To this end, questions were asked on the factors that determines employee’s behaviour such as the family background, beliefs and religion, values, norms, attitudes and perception of work, and commitment to work.

The findings showed that there is a significant relationship between culture and organizational performance. In addition, if all things remain equal, organizations that are performing to the satisfaction of the owners, employees and customers will be found in culture suitable for their operations. However, the results of this study showed clearly that all things do not remain equal. It was found that variables such as organizational context, organizational culture, nature of the economy and polity, and the availability of the needed equipments all have significant impact on organizational performance.

The findings also showed that exogenous variables such as the nature of the economy and polity have more impact on organizational performance than endogenous variables such as size, organizational culture, organizational structure and technology. Thus it is clear from the empirical evidence generated in this study that organizational performance is a multi-faceted and multidimensional criterion.

With regard to culture, the findings in this study do not reveal any significant cultural differences among the workers. It is however, observed that the four categories of workers in TANESCO exhibit the following: Engineers were more aggressive and tend to be individualistic. Accountants and Administrators tend to be averagely aggressive but not individualistic. Marketers are at the rear, with very little aggression and are largely collectively oriented. The values in these departments to some extent do differ.

The results of the analysis of the cultural variables showed a high level of commitment to work, low level of labour turnover and absenteeism, positive beliefs about work, positive work values, attitudes, and norms. But these positive attributes of the cultural variables did not translate directly to high level of organizational performance because some other variables were at work. This was an indication that culture was not the sole determinant of organizational performance. Other factors most especially exogenous variables such as the economy, technology and the conducive political climate within the country all influence organizational performance significantly and much more than endogenous variable such as size, structure, and style of management.

The concept of commitment was pointed by many of the respondents as a primary reason why operations have been successful in the past. Staff have been said to show this commitment through using a lot of discretional effort to do whatever necessary to avoid disruption of their services to customers. Staff coming to work on their days off, in particular emergency staffs who are coming to attend emergency power breakdowns. It is perceived to be part of the integrity of the employees.

Figure 4.1: Updated Conceptual Framework

**Organizational Culture**

Equity & Expectation

Task or Role Perception

Environmental Factors

Technology

**Organizational Performance**

Financial Performance

Customer Satisfaction

Increased Market Share

Employees’ Behaviour

Organizational Climate

Economy & Polity.

Job conditions. Size, Structure & Style of Company’s Management

**Figure 3 - Updated Conceptual Framework**

**Source: Developed by the researcher, (2012)**

A comment was made saying that culture is not going to matter in performance unless managers understands it and know how to translate this connection into action. Without acting it out themselves and showing they know how to, staff are not likely to buy into it. Moreover, there was a perception that staffs are going to work well for their manager, and in the event where they do not like their manager they are not going to work well for them. Ultimately, if staffs get along with their managers, they are going to work well, and this can translate into increased performance.

# 5.2 Conclusion

Based on the research findings, the data obtained from the empirical investigation was carried out in a manner that make it logical for the findings from the sample to be generated in all the general conclusion which can be drawn from the finding regarding cultural influence on employee performance.

The results of the study have provided important implications on the relationship between organizational culture and performance. Previous studies have shown the effect of corporate culture on performance (Kotter and Heskett, 1992; Denison, 1990; Van der Post et al., 1998) but did not show the potential relationships of these two factors (organizational culture and performance) in an integrated way. This study, therefore, has shown the important relationships of these two factors in an organizational setting, particularly in a developing country like Tanzania. This research has also provided us with a better understanding of the relationships of these factors in order to enhance managerial effectiveness and organizational success.

This study shows that there is a positive relation among organizational culture and employee’s job performance. This research demonstrates that everyone in the organization comes from diverse culture and they try to tune their norms and values with organization’s norms and values. When an employee accepts the culture of organization then he performs well. According to Gallagher (2008), positive employee performance can cause the profit of an organization.

# 5.3 Recommendations

Based on these conclusions concerning culture in this study, some recommendations can be offered for possible consideration by TANESCO.

First, even though the research reveals a great deal of alignment of the overall organizational culture, there are differences between the organization’s departments which can be viewed as sub-cultures. Identifying well-functioning sub-cultures and which features are associated with effectiveness in this sub-culture, and then disseminating across departments where this culture would be relevant, could be an area of investigation for the organisation in the future.

Second, even though the findings from this study indicate that TANESCO has a well aligned culture, there may be a desire to change certain elements of the culture. This can be useful for moving the organization in a new direction, or for responding to an environmental or market challenge. Cameron and Quinn (1999) presents a formula for culture change, and this could be investigated should it be deemed necessary.

Third, since this study has shown that most of the causes of the reduction in employee performance are related to lack of enough motivation through the reward system, the take home pay of the staff, employee pay should regularly be reviewed to reflect the effects of inflation. The price of labour in the country should be reappraised and the right acceptable and reasonable price per labour hour not just in nominal terms but in the real terms should be worked out in such a way that what the employees earn at every level should not only be commensurate to his input but should compare favourably with what his contemporaries in other countries earn.

 Fourth, the different departments appear to have different values, which in itself is not surprising. However, having too few shared values throughout the organisation can ultimately prevent the creation of, and emphasis on any primary dominant culture. This could be looked at more in-depth in order to ensure at least certain cultures, as identified in this research, are accepted throughout the organisation.

Fifth, Research findings pointed out that the channels of communication within the company are effective though not open enough. It is important for the company to adopt and exercise open communication within all levels. This is absolutely essential for the success of the company managers to efficiently coordinate their activities.

Sixth, the research findings have also showed that culture is important in TANESCO but that it appears to be driven by a few people at the top. These people push the organization in the direction they thought the company should be heading. This is totally not acceptable if the company want to succeed and hence perform better. All employees should sail in the same boat towards the operations of their organization.

Finally, even though the findings from this study indicate that TANESCO has a well aligned organizational culture, there may be a desire to change certain elements of the culture. This can be useful for moving the organisation in a new direction, or for responding to an environmental or market challenge. Cameron and Quinn (1999) presents a formula for organizational culture change, and this could be investigated should it be deemed necessary.

# 5.4 Prospects for Further Research

Cultural studies dealing with organizational performance in Tanzania remain largely an uncharted course. In short, there are not many studies that have focused on how organizations perform in the different cultural and geographical locations in Tanzania. There is therefore a tremendous potential for research in this direction. The present study of the impact of culture on organizational performance is an ambitious attempt to pave the way for future research from a similar perspective.

Moreover, this study is a relatively small one. In this regard, survey research methods covering large number of firms from diverse geographical and cultural background will be relevant. However, such research efforts will require greater financial, human and material resources than are currently at our disposal.

Fundamentally, there appears to be a veritable gap in the sociology of organizations dealing with the way in which cultural and religious values influence work behaviour and how this in turn determines organizational performance. Sociologists as social scientists must think anew about the roles of culture in organizations and its overall impact on organizational performance.

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# APPENDICES

Appendix I: Culture & Values Questionnaire

Dear my fellow staff,

I am pursuing Masters of Business Administration (MBA) at the Open University of Tanzania (OUT). I am conducting a research on the Effects of culture and values on employees’ performance, the case study being our organization, TANESCO. This research project is prepared in partial satisfaction of the requirements of this degree.

You are invited to participate in this survey, you are being asked to answer questions concerning perceptions of the company's organizational culture and values.

Your participation in this study is completely voluntary. However, I hope you choose to participate as this will provide valuable information for my research project and results that can be of benefit to the company.

Your survey responses will be strictly confidential and data from this research will be reported only in a summary report. If you have questions at any time about the survey or the procedures you may contact me, the researcher, **Edgar L. Masoud** on **0784 280 358** or by email **edger.masoud@tanesco.co.tz**

A: BIOGRAPHICAL INFORMATION

The biographical information below will only be used to identify trends within TANESCO

Please mark the appropriate block with a Tick (V).

|  |  |  |  |
| --- | --- | --- | --- |
| Your post level | Junior | Senior(Principals/Chiefs) | Director/ Manager |
|   |  |  |  |
| Highest academic qualification. | O' Level Secondary | A' Level Secondary | Bachelor/Advanced Diploma | Masters Level |
|   |  |  |  |  |
| Years experience in employment. | Less than 1 year | 1 - 5 years | 6 - 10 years | 10+ years |
|   |  |  |  |  |
| Gender | Male | Female |
|   |  |  |
| Age  | Below 30 | Between 31 - 40 | Between 41 - 50 | Over 50 |
|   |  |  |  |  |
| Occupational Classification | Engineers | Accountants | Administrators | Others |
|   |  |  |  |  |
| Where are you based? | Head Office | Region/District |
|   |  |  |

B: CULTURE SURVEY

Please take note of the following instructions:

* The survey consists of three sections, each with a number of statements that relate to "the way things get done in TANESCO".
* There are no incorrect answers (i.e. no “right” or “wrong” responses).
* Please be as honest as possible and ensure that you answer the entire questionnaire.

**SECTION 1**

Kindly respond to every statement listed below by marking with a Tick ( ) in the relevant option.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **QUESTIONS** |  | **YES** |  | **NO** |
|  |  |  |  |  |  |
| 1 | Has culture any influence on employee performance in TANESCO? |  |   |  |   |
|  |  |  |  |  |  |
| 2 | Does culture create opportunity to improve the performance of employees in TANESCO? |  |   |  |   |
|  |  |  |  |  |  |
| 3 | Do needs of employees from different cultural background fit into the overall objectives of TANESCO? |  |   |  |   |
|  |  |  |  |  |  |
| 4 | Do you believe that a strong culture enables an organization to pull its employees together and maximize their potential? |  |   |  |   |
|  |  |  |  |  |  |
| 5 | Is TANESCO's management team open in sharing information (both positive and negative) throughout all levels of the organization? |  |   |  |   |

**SECTION 2**

1. Kindly respond to every statement listed below by marking with a Tick ( ˅ ) in the relevant option.
2. Select the statement that you think well describes your experience of culture and values within your Company.
3. Indicate how strongly you “agree” or “disagree” with each of the following statements.
4. If you neither “agree” nor “disagree”, select the “neutral” option in the middle.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S/N | Response | Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
| 1 | TANESCO's organization is a very controlled and structured place. Formal procedures generally govern what people do.  |  |  |  |  |  |
| 2 | Organizational culture is important to the performance of the organization. |  |  |  |  |  |
| 3 | Culture is the core of what your organization is and what your organization cherishes. |  |  |  |  |  |
| 4 | TANESCO's culture provides the opportunities for employees to love what they do, and give them opportunities to achieve success. |  |  |  |  |  |
| 5 | Employees in TANESCO feel tremendous pride in their work and the company. |  |  |  |  |  |
| 6 | Management and employees alike maintain a high level of respects for one another. |  |  |  |  |  |

**SECTION 3**

1. What are other variables that determine company’s performance?
2. What specific cultural characteristics make TANESCO employees be committed to their job?
3. How does the internal communication facilitate the existence of strong culture within the company?
4. In your opinions, what do you think are the factors that determine employees behaviours?

Are there additional issues about the study that have not been covered and that you would like to comment on?

**………………………………………………………………………………………**

**………………………………………………………………………………………**

**………………………………………………………………………………………**

**………………………………………………………………………………………**

**………………………………………………………………………………………**

Thank you for your feedback. I appreciate the valuable inputs that you have provided. This information is going to help me to finalize my research on culture and values in TANESCO.

Appendix : Calculation of Chi-Square Distribution

|  |
| --- |
| Has culture any influence on employee performance in TANESCO? |
| Observed Frequency | Expected Frequency | O -E | (O — E)2 | (O — E)2/ E |  |
| 20 | 20.58824 | -0.588235 | 0.346021 | 0.0168067227 |  |
| 17 | 17.64706 | -0.647059 | 0.418685 | 0.0237254902 |  |
| 10 | 8.823529 | 1.176471 | 1.384083 | 0.1568627451 |  |
| 3 | 2.941176 | 0.058824 | 0.00346 | 0.0011764706 |  |
| 8 | 7.411765 | 0.588235 | 0.346021 | 0.0466853408 |  |
| 7 | 6.352941 | 0.647059 | 0.418685 | 0.0659041394 |  |
| 2 | 3.176471 | -1.176471 | 1.384083 | 0.4357298475 |  |
| 1 | 1.058824 | -0.058824 | 0.00346 | 0.0032679739 |  |
|  |  |  | Chi square | 0.7501587302 |  |
|  |  |  |  |  |  |
| Does culture create opportunity to improve the performance of employees in TANESCO? |  |
| Observed Frequency | Expected Frequency | O -E | (O — E)2 | (O — E)2/ E |  |
| 18 | 16.05882 | 1.941176 | 3.768166 | 0.2346477052 |  |
| 13 | 13.76471 | -0.764706 | 0.584775 | 0.0424836601 |  |
| 5 | 6.882353 | -1.882353 | 3.543253 | 0.5148315737 |  |
| 3 | 2.294118 | 0.705882 | 0.49827 | 0.2171945701 |  |
| 10 | 11.94118 | -1.941176 | 3.768166 | 0.3155607070 |  |
| 11 | 10.23529 | 0.764706 | 0.584775 | 0.0571331981 |  |
| 7 | 5.117647 | 1.882353 | 3.543253 | 0.6923597025 |  |
| 1 | 1.705882 | -0.705882 | 0.49827 | 0.2920892495 |  |
|  |  |  | Chi square | 2.3663003663 |  |
|  |  |  |  |  |  |
| Do needs of employees from different cultural background fit into the overall objectives of TANESCO? |  |
| Observed Frequency | Expected Frequency | O -E | (O — E)2 | (O — E)2/ E |  |
| 8 | 7.823529 | 0.176471 | 0.031142 | 0.0039805396 |  |
| 6 | 6.705882 | -0.705882 | 0.49827 | 0.0743034056 |  |
| 4 | 3.352941 | 0.647059 | 0.418685 | 0.1248710010 |  |
| 1 | 1.117647 | -0.117647 | 0.013841 | 0.0123839009 |  |
| 20 | 20.17647 | -0.176471 | 0.031142 | 0.0015434745 |  |
| 18 | 17.29412 | 0.705882 | 0.49827 | 0.0288115246 |  |
| 8 | 8.647059 | -0.647059 | 0.418685 | 0.0484193677 |  |
| 3 | 2.882353 | 0.117647 | 0.013841 | 0.0048019208 |  |
|  |  |  | Chi square | 0.2991151348 |  |
|  |  |  |  |  |  |
| Do you believe that a strong culture enables an organization to pull its employees together and maximize their potential? |  |
| Observed Frequency | Expected Frequency | O -E | (O — E)2 | (O — E)2/ E |  |
| 17 | 17.29412 | -0.294118 | 0.086505 | 0.0050020008 |  |
| 14 | 14.82353 | -0.823529 | 0.678201 | 0.0457516340 |  |
| 8 | 7.411765 | 0.588235 | 0.346021 | 0.0466853408 |  |
| 3 | 2.470588 | 0.529412 | 0.280277 | 0.1134453782 |  |
| 11 | 10.70588 | 0.294118 | 0.086505 | 0.0080801551 |  |
| 10 | 9.176471 | 0.823529 | 0.678201 | 0.0739064857 |  |
| 4 | 4.588235 | -0.588235 | 0.346021 | 0.0754147813 |  |
| 1 | 1.529412 | -0.529412 | 0.280277 | 0.1832579186 |  |
|  |  |  | Chi square | 0.5515436944 |  |
|  |  |  |  |  |  |
| Is TANESCO's management team open in sharing information (both positive and negative) throughout all levels of the organization? |  |
| Observed Frequency | Expected Frequency | O -E | (O — E)2 | (O — E)2/ E |  |
| 15 | 14.82353 | 0.176471 | 0.031142 | 0.0021008403 |  |
| 13 | 12.70588 | 0.294118 | 0.086505 | 0.0068082789 |  |
| 6 | 6.352941 | -0.352941 | 0.124567 | 0.0196078431 |  |
| 2 | 2.117647 | -0.117647 | 0.013841 | 0.0065359477 |  |
| 13 | 13.17647 | -0.176471 | 0.031142 | 0.0023634454 |  |
| 11 | 11.29412 | -0.294118 | 0.086505 | 0.0076593137 |  |
| 6 | 5.647059 | 0.352941 | 0.124567 | 0.0220588235 |  |
| 2 | 1.882353 | 0.117647 | 0.013841 | 0.0073529412 |  |
|  |  |  | Chi square | 0.0744874339 |  |
|  |  |  |  |  |   |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Probability level (alpha)** |  |  |  |
|  |  |  |  |  |  |
| Degrees of Freedom | 0.5 | 0.1 | 0.05 | 0.02 | 0.01 |
| 1 | 0.455 | 2.706 | 3.841 | 5.412 | 6.635 |
| 2 | 1.386 | 4.605 | 5.991 | 7.824 | 9.21 |
| 3 | 2.366 | 6.251 | 7.815 | 9.837 | 11.345 |
| 4 | 3.357 | 7.779 | 9.488 | 11.668 | 13.277 |
| 5 | 4.351 | 9.236 | 11.07 | 13.388 | 15.086 |

## Appendix 3: TANESCO’S ORGANIZATION STRUCTURE