INFLUENCE OF ORGANIZATIONAL CULTURE ON PERFORMANCE: CASE OF KENYA POWER AND LIGHTING COMPANY LIMITED

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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INFLUENCE OF ORGANIZATIONAL CULTURE ON PERFORMANCE: CASE OF KENYA POWER AND LIGHTING COMPANY LIMITED

BY

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A Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University-Africa for academic credit.

Signed: __________________________  Date: __________________________

Maureen Kajuju Ngara (ID: 620525)

This research project report has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________  Date: __________________________

Ciru Getecha

Signed: __________________________  Date: __________________________

Dean, Chandaria School of Business
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ABSTRACT

The main objective of the study was to establish the influence of organizational culture on performance at The Kenya Power and Lighting Company Limited (KPLC). The study had three research questions. What is the influence of cooperating culture on organizational performance at KPLC? What is the effect of innovating culture on organizational performance at KPLC? What is the impact of harmonizing culture on organizational performance at KPLC?

The study used a descriptive research design. The study population was the entire 11,295 workforce of KPLC. A sample frame of 4,697 employees of KPLC based at the Central Office, Nairobi North, Nairobi West and Nairobi South was used. The study used stratified random sampling technique to select a sample of 354 employees to participate in the study. A questionnaire was used to collect data from the sampled respondents. Descriptive and inferential statistics were used. The findings were presented in charts and tables.

The first study objective sought to establish the influence of cooperating culture on organizational performance at KPLC. The study established a positive significant influence of cooperating culture on performance at KPLC. However, compared to innovating and harmonizing culture traits, cooperating culture was the least influential culture trait on performance at KPLC.

The second study objective sought to determine the effect of innovating culture on organizational performance at KPLC. The study finds a positive significant influence of innovating culture on performance at KPLC. Compared to cooperating and harmonizing culture traits, innovating culture was identified to have moderate influence on performance at KPLC.

The third study objective sought to explore the impact of harmonizing culture on organizational performance at KPLC. The study showed a positive significant influence of harmonizing culture on performance at KPLC. However, compared to cooperating and innovating culture traits, harmonizing culture had the highest influence on performance at KPLC.
The study concludes that there is strong positive correlation between culture and organizational performance at KPLC. The study also concludes that there is a positive relationship between cooperating, innovating and harmonizing culture and organizational performance. However, harmonizing culture trait had the greatest influence on performance at KPLC followed by innovating culture traits and then cooperating culture trait having the least influence on organizational performance at KPLC.

The study recommends that KPLC invest in creating supportive work environment, improving dialogue, enhancing employee capacity building and teamwork so as to harness the opportunities that arises from a cooperating culture in an organization. The study recommends strategy review to create more focus on customers, provide room for creative autonomy, promote entrepreneurial culture and adaptive performance among employees. Further, focus on strategic alignment, establishment of common value systems, promotion of charismatic leadership and strategy review are highly recommended. Finally, expanding the study to include other culture traits such as organizing trait would give more direction to the company and the sector. Further, the study was a case study of only KPLC, including other utility firms in the energy sector would be welcome. Moreover, organizational culture is highly dynamic, studies in other time zones and sectors would provide empirical evidence to further ground the theory.
ACKNOWLEDGEMENT

This stud has been accomplished through the support and encouragement from various persons to whom am greatly indebted. Special thanks to my supervisor Ciru Geteche whose priceless advice has enabled me complete this project. I am forever indebted to my mother Jane and husband Henry for their unfailing support as I pursued this course and their encouragement for me to complete my thesis.
DEDICATION

I would like to dedicate this project to the Almighty God for it is by his grace I have been able to complete my studies. I dedicate this stud to my parent Jane and Charles Ngara, my husband Henry and my son Munene for their unwavering support. God bless you all.
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>EAP&amp;L</td>
<td>East Africa Power and Lighting Company</td>
</tr>
<tr>
<td>GDC</td>
<td>Geothermal Development Company</td>
</tr>
<tr>
<td>KenGen</td>
<td>Kenya Electricity Generating Company</td>
</tr>
<tr>
<td>KETRACO</td>
<td>Kenya Electricity Transmission Company</td>
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<tr>
<td>KPLC</td>
<td>Kenya Power Lighting Company</td>
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<tr>
<td>NIC</td>
<td>National Industrial Credit Bank</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>USIU</td>
<td>United States International University</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The importance of organizational culture in establishing competitive advantages for business firms and its influence on organizational performance has been well documented in literature (Yesil & Kayab, 2013). In fact, organizational culture has been generally recognized as an essential influential factor in analyzing organizations in various contexts (Dauber, Fink, & Yolles, 2012). According to Gavric, Sormaz and Ilic (2016), dimensions of culture is central to all aspects of organizational life as organizational culture forms the integrative means of regulating the behavior of organization's members and permeates all its activities, as a specific catalyst for growth and development of the organization.

More specifically, organizational culture leads an organization and its activities, shaping the way employees think, work and how they feel (Gavric, et al., 2016). However, organizational culture does not always influence performance positively. Neither is organizational culture static. The fact that organizational culture is sometimes highly dynamic and that it can potentially have a negative impact on business operations increases the importance of its study (Gavric, et al., 2016). In this way, organizational culture becomes the single most influential factor for organizational performance.

The concept of organizational culture and its influence on performance has gained a lot of tractions since the 1980s when Japanese companies known for their strong and cohesive culture, made a boom with their productivity and began to suppress Western companies (Gavric, et al., 2016). Where Western companies then focused on functional effects of individuals, Japanese companies incorporated elements of flexibility, adaptability, and teamwork to achieve huge successes. Since then, several models for exploring the link between organizational culture and firm performance have been proposed.

Studies of organizational culture have taken three broad perspectives; dimensions perspective, interrelated structure perspective and typology perspective. The dimensions perspective strongly focuses on measuring organizational culture empirically along scales that can be related to other mostly dependent variables of interest (Dauber, Fink, & Yolles,
The interrelated structure perspective concentrate on linking the concept of organizational culture to other constructs or characteristics of organizations and less to single variables. Therefore, they often represent the theoretical underpinning for empirical research designs. On the other hand the typology perspectives are based on predefined key characteristics that divide and cluster organizations into certain categories, not necessarily defining the relationship of these characteristics to each other (Dauber, Fink, & Yolles, 2012).

Since the study sought an empirical understanding of the relationship between organizational culture and performance, the study adopted a dimensions perspective. To study relationships between organizational culture and other constructs, several quantitative measurement instruments have been designed. Cooke and Lafferty (1989) created the organizational culture inventory which, identified twelve cultural styles grouped into three categories of constructive styles, passive/defensive styles, and aggressive/defensive styles. Hofstede, Neuijen, Ohayv and Sanders (1990) developed a set of six dimensions of organizational culture which included, process versus results orientation; employee versus job orientation; parochial versus professional orientation; open system versus closed system, loose versus tight; and normative versus pragmatic.

Cameron and Quinn, (1999) developed the Organization Culture Assessment Instrument which has six categories representing the four competing values cultures. The categories are; dominant characteristic, leadership style, management of employees, organizational glue, strategic emphasis and criteria for success. O’Reilly, Chatman and Caldwell (1991) identified eight dimensions as innovation, attention to detail, outcome orientation, aggressiveness, supportiveness, emphasis on rewards, team orientation, and decisiveness. Delobbe, Haccoun and Vandenberghhe (2002) identified the commonly used organizational culture dimension as recognition-support, commitment-solidarity, innovation-productivity, control, and continuous learning.

It is imperative to note that various approaches have been used depending on the research agenda to evaluate the effect of culture on organizational performance. This study was anchored on Curteanu and Constantin (2010) organizational model to create an understanding on the relationship between organizational culture and organizational
effectiveness (performance). The model provides a framework for evaluating organizational culture based on the functions of culture. The two key functions identified by the model are, external adaptation and internal integration.

According to Curteanu and Constantin (2010) these functions provide two axes which describe various types of culture on a continuum ranging from external focus to internal focus (external adaptation) and from stable to flexible (internal integration) systems. This generates four types of organizational culture namely, co-operating, innovating, harmonizing and organizing culture. These four dimensions were used as the basis for evaluating organizational culture and its influence on performance. The model was appropriate since while organizations strive to have predictability and stability in their operations and performance, the current business environment is highly dynamic and unpredictable, thus, business organizations must strive to achieve internal integration for effective external adaptation.

Globally, several empirical studies have been conducted to evaluate the influence of organizational culture on performance. Naranjo-Valencia, Jiménez-Jiménez and Sanz-Valle (2016) while studying the link between organizational culture and performance in Spanish companies showed that culture can foster innovation, as well as company performance, or it could also be an obstacle for both of them, depending on the values promoted by the culture. The study established adhocratic culture as the best innovation and performance predictor. Thus, innovation mediates the relationship between certain types of organizational cultures and performance.

In line with these findings, a study by Yesil and Kayab (2013) in Gaziantep city of Turkey to establish the effect of organizational culture on firm financial performance in developing countries showed that organizational culture dimensions have no effect on firm financial performance. The study analyzed organizational culture dimensions of clan, adhocracy, market and hierarchy against firm financial performance as measured by sales growth and return on assets.

In Africa, a study by Leithy (2017) on local and multinational companies’ employees located in Cairo, Egypt showed that both work-related attitudes and work behavior are related to organizational performance. Meanwhile, the relationship between organizational
culture and performance was not established. A study by Chukwu and Aguwamba (2017) to determine the influence of organizational culture on performance of banking industry in Nigeria showed a significant and positive relationship between cultural fit, reinforcement of pillar of existence, enhancement of organizational effectiveness and organizational performance. The study also showed a significant but negative relationship between consistent pattern of behavior and organizational performance. Zakari, Poku and Owusu-Ansah (2013) established a positive relationship between organisational culture and performance in the banking industry in Ghana with mission being the culture trait with the strongest potential of impacting positively on performance.

In Kenya, a study by Wambugu (2014) on the effects of organizational culture on employee performance at Wartsila Kipevu II power plant tested four elements of organizational culture (organisation values, organisation climate, leadership styles and work processes). The study revealed a positive relationship between organisation culture and employee performance. However the effect diversely varied amongst the variables with work processes and systems in having more effect to employees performance. Further, organizational values have had a more significant effect to employee's job performance than the organisation climate. Omukaga (2016) established a positive influence of organizational culture (value system, communication and staff morale) on employee performance at AON Limited.

A study by Odhiambo (2016) at NIC bank showed that organizational culture positively influence strategies and policy implementation. This creates a sustainable competitive advantage. The study indicated that rules, policies, beliefs and values were the most significant components of culture. A study by Mwau, (2016) at Kenya Power and Lighting Company adopted Denison’s (1990) model to examine the effect of organizational culture on performance. The study used consistency, involvement, adaptability and mission as measures of organizational culture dimension. The study established a strong and positive relationship between organizational culture and performance.

These studies have made significant contributions to their lines of research and shaped research agenda. However, their focus has been on organizational culture from an internal perspective. The current study therefore, sought to broaden the study of organizational
culture by measuring organizational culture from both the internal and external perspectives. An approach lacking in the reviewed studies. This would give a more holistic view of the effect of organizational culture on performance. Further, Curteanu and Constantin (2010) model adopted by this study lacks sufficient empirical evidence. Based on the Curteanu and Constantin (2010) model, the study described various types of culture on a continuum ranging from external focus to internal focus (external adaptation) and from stable to flexible (internal integration) (Curteanu & Constantin, 2010).

Kenya Power and Lighting Company is a Kenyan utility company dealing in electricity transmission and distribution. The company was started in 1922 as East African Power and Lighting (EAP&L) Company Limited. The company operated in Kenya, Uganda and Tanzania between 1932 up to 1983 when the company lastly pulled out of Uganda and confined its operations only in Kenya. The EAP&L was then renamed The Kenya Power and Lighting Company Limited (KPLC) in 1983. In 1997, the functions of generation were split from transmission and distribution. Thus, the Kenya Power Company, which was under the management of KPLC since 1954, became a separate entity named Kenya Electricity Generating Company (KenGen) responsible for public-funded power generation projects (Kenya Power, 2018).

In 2008, more functions were hived off from KPLC with the establishment of Kenya Electricity Transmission Company (KETRACO). Likewise in 2008, Geothermal Development Company (GDC) was also created to generate thermal power. In the year 2011, KPLC was rebranded to Kenya Power to reflect growth, renewal and transformation. Currently the Kenyan Government has a controlling stake at 50.1% of shareholding with private investors at 49.9% (Kenya Power, 2018). Kenya Power owns and operates most of the electricity transmission and distribution system in the country and sells electricity to over 6.2 million customers (Kenya Power, 2018). The company is listed the Nairobi Securities Exchange.

1.2 Statement of the Problem
Globally, over the past 20 years, business organizations have been faced with increased level of turbulence and unpredictability both within and without the organizations. Business environment has been characterized by entry of new aggressive competitors in
the marketplace alongside the growing sophistication of customers and the greater and more efficient use of information technology (Zakari, Poku, & Owusu-Ansah, 2013). Competitive pressures alongside increased customer awareness and demands have intensified and it is not uncommon for weaker firms to fail to meet customer demands and fail to maintain their competitive edge over time.

In order to sustain or gain competitive edge and superior performance, many organizations have restructured, merged, benchmarked, re-engineered, implemented total quality management programmes and introduced competitive staff benefits (Zakari, Poku, & Owusu-Ansah, 2013). Despite these attempts, organizations are yet to experience high performance. Organizational culture has been identified as one of the necessary intangible resources that a company requires to create a unified energy that steers it towards achieving its objectives. Culture is central to all aspects of organizational life as organizational culture forms the integrative means of regulating the behavior of organization's members and permeates all its activities, as a specific catalyst for growth and development of the organization (Gavric, Sormaz, & Ilic, 2016).

The ability to identify the culture traits of an organization provides a platform for better understanding of the operations of the organization for a better performance (Zakari, Poku, & Owusu-Ansah, 2013). Unfortunately, the quantitative studies that have been conducted in Kenya on organizational culture have generally been focusing on evaluating organizational culture from an internal perspective (Wambugu, 2014; Omukaga, 2016; Odhiambo, 2016; Mwau, 2016). Little if any studies focus on describing various culture traits on a continuum ranging from external focus to internal focus (external adaptation) and from stable to flexible (internal integration) (Curteanu & Constantin, 2010).

The current study adopted the Curteanu and Constantin (2010) model to broaden the evaluation of the effect of organizational culture on performance by measuring organizational culture from both the internal perspective and external perspective. This approach lacking adequate empirical evidence in literature. This would give a more holistic view of the effect of organizational culture on performance. Further, cultural traits in themselves are highly dynamic and are shaped by a series of continuously changing interactions between complex factors within and without the organization. The study
sought to investigate the effect of organizational culture (co-operating, innovating, and harmonizing cultures) on performance (measured by service quality, customer satisfaction, employee loyalty and social responsibility) at KPLC.

1.3 Purpose of the Study
The purpose of the study was to establish the influence of organizational culture on performance at KPLC

1.4 Research Questions

1.4.1 What is the influence of cooperating culture on organizational performance at KPLC?

1.4.2 What is the effect of innovating culture on organizational performance at KPLC?

1.4.3 What is the impact of harmonizing culture on organizational performance at KPLC?

1.5 Significance of the Study
The study would be of important to the following stakeholders;

1.5.1 Managers of KPLC
The managers would be particularly interest in understanding the major organizational traits with the most significant influence on organization performance. This would be critical in providing strategies for enhancing those traits with significant positive effects while eliminating or reducing the effects of those traits with negative impacts so as to enhance the organization’s ability enhance customer satisfaction and overall positive organizational performance.

1.5.2 The Energy Industry
Firms in the energy sector would also be interested in the findings so as to draw lessons of importance on the effects of organizational culture on performance. Since, the firms are in the same sector, there are commonalities which are comparable and can be used in developing strategies and plans.

1.5.3 Policy Makers
KPLC being a utility company, there is immense public interest on its performance. Policy makers would be interest in factors which influence its performance since the company
generally is intended to provide a public good for all Kenyans. The Government being the major shareholder would be keen that the public gets value for money from the investment.

1.5.4 Researchers and Academicians
The findings will go a long way in providing the much needed empirical evidence in the field of organizational culture. Particularly, it will build empirical evidence to support or dispute the Curteanu and Constantin (2010) model. The findings will assist in grounding theory and providing empirical evidence for future research directions.

1.6 Scope of the Study
Like any other research work, the study was limited in its scope. The conceptual scope was limited to the independent and dependent variables. The study was limited to investigating the effect of organizational culture with respect to co-operating, innovating and harmonizing culture traits. Organizational performance was investigated with respect to service quality, customer satisfaction, employee loyalty and social responsibility.

Geographically, the study was limited only to 4,697 KPLC employees based at the Central Office, Nairobi North, Nairobi South and Nairobi West regions. In terms of time, data collection was conducted between March 15, 2018 and April 15, 2018. The study methodology was also confined to descriptive evaluation.

1.7 Definition of Terms

1.7.1 Culture
A consistent pattern of behavior of a group of people (Chukwu & Aguwamba, 2017).

1.7.2 Organizational Culture
The shared basic assumptions that an organization learns while coping with the environment and solving problems of external adaptation and internal integration that are taught to new members as the correct way to solve those problems (Yesil & Kayab, 2013).

1.7.3 Performance
A set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Gavrea, Ilies, & Stegerean, 2011).
1.7.4 Clan Culture
The level of family orientedness, trustworthiness, closeness, empowerment and community orientation expressed within an organization (Felipe, Roldán, & Leal-Rodríguez, 2017).

1.7.5 Adhocracy Culture
The extent to which originality, dynamism, entrepreneurial, innovativeness, risk taking, aggressiveness and flexibility is exhibited within an organization (Leal-Rodríguez, Ariza-Montes, Morales-Fernández, & Eldridge, 2016).

1.7.6 Market Culture
A set of behaviors and activities that most effectively and efficiently creates the necessary superior value for buyers and thus continuous superior performance for the business (Kanagasabai, 2008).

1.7.7 Hierarchy Culture
Described as extremely bureaucratic, rule-driven, by-the-book and top-down directed system (Felipe, Roldán, & Leal-Rodríguez, 2017).

1.7.8 Cooperating Culture
A relational system in which individuals in a group share mutual aspirations and a common conceptual framework (Schöttle, Haghsheno, & Gehbauer, 2014).

1.7.9 Innovating Culture
Culture trait that emphasizes adaption and adoption of idea, practice, or object that the individual or organization perceive as new to drive change for achieving external adaptability (Curteanu & Constantin, 2010).

1.7.10 Harmonization Culture
The culture trait that focuses on shared value systems, strategic and tactics, strategic alignment and charismatic leadership to achieve internal integration (Curteanu & Constantin, 2010).

1.7.10 Organizational Performance
The extent to which a company, as a social system with certain resources, is able to fulfil its goals (Jenatabadi, 2015).
1.8 Chapter Summary

The chapter presented the background on which the study was anchored. It also provided the problem statement, research objectives, and scope of the study and the importance of the study. The key words used in the study are also defined. Chapter two presents the literature review while chapter three presents the research methodology. Chapter four presents the study findings while chapter five offers the study summary, discussions, conclusions and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter is review of both theoretical and empirical literature which the study was anchored on. The chapter has four key sections. Section 2.2 discuss the theoretical model on which the study was based. Section 2.3 discusses the cooperating culture and its effect on performance. Section 2.4 discusses innovating culture and its effects on organizational performance. Lastly, section 2.5 discusses harmonizing culture and its effects on organizational culture.

2.2 Organizational Culture Model
The study adopted the Curteanu and Constantin (2010) organizational culture model. The model focuses on the two functions of culture. That is, external adaptation and internal integration. The model uses these two functions of culture to describe various types of culture on a continuum ranging from external focus to internal focus (external adaptation) and from stable to flexible (internal integration) (Curteanu & Constantin, 2010). The framework generates four types of organizational culture dimensions of cooperating, innovating, harmonizing and organizing as illustrated in Figure 2.1.

Fig 2.1: Organizational Culture Model
Source: Curteanu and Constantin (2010)
2.3 Cooperating Culture and Organizational Performance

Cooperating culture dimension lies between internal focus and flexibility continuum. The cooperating culture is focused on teamwork, dialogue, competency development and providing supportive environment to the members of the organization to achieve external adaptability (Curteanu & Constantin, 2010).

2.3.1 Team Work

A team is group of individuals who work collectively to achieve the same purposes and goals to provide an excellent quality of services (Sanyal & Hisam, 2018). Thus, the concept of team work is premised on achieving synergistic output through collaboration. This brings a lot of complexity in describing the concept. McEwan, Ruissen, Eys, Zumbo and Beauchamp (2017) describe teamwork as the range of interactive and interdependent behavioral processes among team members that convert team inputs such as member characteristics, organizational funding, and team member composition into outcomes such as team performance, team member satisfaction.

Proponents of team work argue that teamwork has the ability to enable the members of the team to have a higher level of emotional security, self-confidence and the ability to plan and decide with others positively (Sanyal & Hisam, 2018). It has also been argued that teamwork improves manpower utilization and potentially raises performance of not just the individual but the organization, because it can expand the output of individuals through collaboration (Agwu, 2015). Moreover, teamwork helps in creating a healthy work environment with workable agendas, creative activities, positive strategies and values (Sanyal & Hisam, 2018). It has also been evidenced that in cases where team work is lacking, occupational failure, disappointment, low morale and poor productivity has been the norm if not more likely to occur.

Empirically a study by Kelemba, Chepkilot and Zakayo (2017) to explore the relationship between teamwork practices and employee performance in the public sector in Kenya found a correlation between teamwork and employee performance. The study showed that teamwork ensures democracy at the workplace, enhances change, encourage innovation and creativity, and allow for effective decision-making and networking. Further the study showed that through teamwork, members get the opportunity to enhance their skills,
knowledge and abilities by working together with others (Kelemba, Chepkilot, & Zakayo, 2017).

A similar study exploring the impact of teamwork on employees’ performance in the banking sector in Kenya showed that teamwork has a significant positive influence on employee performance and the main reason behind this is that the increase in collaboration tends to increase the number of ideas and this increases the effectiveness in tasks assignment (Khan & Mashikhi, 2017). Another study by Sanyal Hisam (2018) to explore the impact of teamwork on work performance of faculty members in Dhfar University revealed a strong and significant connection between the teamwork and performance. The study showed that teamwork was highly influenced by climate of trust, leadership, structure, performance evaluation and rewards.

In summary, the review shows that teamwork helps in developing the skills and perspectives of the employees through the automatic exchange of positive opinions, feedbacks, experiences and viewpoints between the members of the team, and this process create a constant development regarding the services of the organization and employees’ occupational performances (Sanyal & Hisam, 2018). The study hypothesised a positive relationship between teamwork and organizational performance at KPLC.

2.3.2 Dialogue
There is no doubt that communication is more than message exchange between two persons. The predominant view of communication simply as the proper and timely delivery of pertinent information has been shown to miss the constitutive nature of communication (Ziek, 2015). Effective communication goes beyond just sharing information to establishing a discussion to obtain perspectives and perceptions from the employee and the managers as well. Dialogue is thus a collaborative process rooted in action inquiry concepts. This creates a situations where both the managers and their employees increase their shared awareness and purpose that ultimately impacts the content, direction and outcome of the organization (Walsh & Fisher, 2015).

The primary role of dialogue centers upon the production of knowledge and ideas, and joint problem solving. It presents an opportunity for collective reflection workplace participative
practice. This creates a unifying workplace framework through interaction of organizational structures for employee voice on the one hand and the active use of employee’s formal and tacit skills in work and change processes on the other (Cressey, Totterdill, & Exton, 2013).

Several studies emphasize that constructive organizational dialogue can enhance organizational outcomes. Ince and Gül (2011) posit that constructive dialogue and engagements with employees has positive correlation with many organizational outputs like organizational commitment, performance, organizational citizenship behaviors, and job satisfaction. However, lack of dialogue with the employees in contrast may cause functionless results like stress, job dissatisfaction, low trust, decrease in organizational commitment, severance intention, and absence which can affect organization’s efficiency negatively. Still Rajhans (2012) opined that organizational dialogue can help motivate, build trust, create shared identity and spur engagement; as well as provide a way for individuals to express emotions, share hopes and ambitions and celebrate and remember accomplishments. Based on previous findings the study presumed that organizational dialogue has a positive correlation with the performance of the organization at KPLC.

2.3.3 Competency Development

Employee training and development programs seek to change the skills, knowledge, or attitudes of employees required by the job post (Boadu, Dwomo-Fokuo, Boakye, & Kwaning, 2014). Several advantages can be achieved through competency development including the enhancement of job satisfaction among employees, in addition to commitment and collective empowerment (Mefleh, Al-Mzary, Al-rifai, & Al-Momany, 2015). Competency development through training also improves employee’s level of self-awareness, competency and motivation to perform his or her job well (Boadu, Dwomo-Fokuo, Boakye, & Kwaning, 2014).

A study by Mefleh, Al-Mzary, Al-rifai, & Al-Momany (2015) to explore the effect of training and its impacts on the performance of employees at Jordanian Universities indicated a relationship between effective training and employees’ job performance. A similar study by Hafeez (2015) to investigate the impact of training on performance among
the pharmaceutical companies in Karachi, Pakistan showed a positive significant relationship between capacity development and employee performance in terms of enhanced employee teamwork, communication skill, customer service, interpersonal relationship and reduced absenteeism. Further, the study demonstrated improved job-satisfaction, employee motivation, new technologies, efficiencies in process and innovation resulting from capacity development programs.

A study by Diab and Ajlouni (2015) investigated the influence of training on employee’s performance, organizational commitment, and quality of medical services at Jordanian private hospitals. The study findings indicated a strong relationship between the training component and the performance of workers, quality of medical services, and organizational commitment. Further the study identified quality of medical services as the most influenced outcome while organizational commitment was the least influenced outcome. However the study did not find an influence of training on the use of modern technology. Literature has linked employee capacity building to performance, however to different scales. Different circumstances produce varied results. The study therefore, sought to establish the extent to which employee capacity building influences performance at KPLC.

2.3.4 Supportive Environment

According to Agbozo, Owusu, Hoedoafia and Atakorah (2017), an attractive and supportive work environment is critical to job satisfaction. This is because work environment have numerous properties that may influence both physical and mental wellbeing of employees. Supportive organizational environment is defined within the context of work and work environment. Work environment is broadly categorized into work and work context. Work includes all the different characteristics of the job like the way job is carried out and completed, involving the tasks like task activities training, control on one’s own job related activities, a sense of achievement from work, variety in tasks and the intrinsic value for a task, whereas work context on the other hand comprises of the physical working conditions and the social working conditions (Raziqa & Maulabakhsha, 2015).

Work environment further entails safety to employees, job security, good relations with co-workers, recognition for good performance, motivation for performing well and
participation in the decision making process of the firm (Raziqa & Maulabakhsha, 2015). Hence, organization support is defined as beliefs by employees regarding the extent to which an employing organization values their contribution and cares about their well-being (Masoud & Hmeidan, 2013). In this context, the concept of supportive work environment measures how an organization treatments its employees in terms of valuing and supporting their work roles and encompasses organizational policies, practices and treatment of staff which include staff promotions (Masoud & Hmeidan, 2013).

Empirical evidence has linked perceived organizational support to a variety of work-related attitudes and outcomes. A study by Mohda, Shaha and Zailana (2016) showed that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. This makes employees and other organizational members to feel safe in their work environments. Particularly where there is openness and mutual collective support of organizational members. Mohda, Shaha and Zailana (2016) argue that supportive environments allow members to experiment and to try out new things and even fail without fear of the consequences.

Further, perceptions that the organization cares about employees have been shown to have positive influence on work attendance, job satisfaction, trust in management, and individual performance (Masoud & Hmeidan, 2013). For instance, working environment impacts on employee engagement (Mohda, Shaha, & Zailana, 2016). Thus, perceived organizational support is viewed as important variable that determines success and commitment of employees.

In summary, quality work spot is fundamental to keeping workers on their various task and work effective. According to Agbozo, Owusu, Hoedoafia and Atakorah (2017) a good workplace is checked by such characteristics as competitive wages, trusting relationship between the employees and management, equity and fairness for everyone, and a sensible work load with challenging yet achievable goals. A composite of all these conditions makes the work station the best possible working conditions for employees to work with high level of satisfaction (Agbozo, Owusu, Hoedoafia, & Atakorah, 2017).
Despite providing an explanation for the link between the organizational environment and performance, evidence show that the level of impacts vary substantially from one organization to the other. Meaning that this signifies differently to different firms. Hence, policy and strategic actions different from one context to the other. The study sought to establish the direct and actual impact of perceived supportive work environment at KPLC.

2.4 Innovating Culture and Organizational Performance

Innovating culture dimension lies between external focus and flexibility and focuses on creative autonomy and change drivers to achieve external adaptability (Curteanu & Constantin, 2010).

2.4.1 Creativity Autonomy

Creativity has been presented as an imperative for long-term organizational success and survival in a business environment characterized by high level of uncertainty. In every organization, discovery and implementation of new and novel ideas and products are very essential in sustaining growth in a challenging business environments (Sia & Appu, 2015). According to Wenjing, Wei and Shuliang (2013), an employee’s creative performance partly depends on his/her characteristics, such as domain-relevant knowledge, cognitive style and personality traits. However, since, creative performance in the organization is a combined function of individual, group and organizational characteristics, the social and contextual factors directly affect an employee’s creative performance (Sia & Appu, 2015).

Recent studies have also shown that the degree to which an employee has freedom, independence, and discretion in carrying out their job tasks, has a link with creative performance (Çekmecelioglula & Günsel, 2011). Job autonomy in this case refers to the employees’ self-rule and independence in conducting their tasks in terms of process, decision making, and time management (Wenjing, Wei, & Shuliang, 2013). Much of the contemporary research on employee creativity indicate that task related job autonomy provide work-related emotional encouragement, which leads to more engagement of employees which contribute to creative performance (Wenjing, Wei, & Shuliang, 2013). On the other side, a controlling environment would have a counterproductive effects as it reduces employees’ intrinsic motivation and stifle individuals’ creativity leading to lower creative performance.
Burcharth, Knudsen and Søndergaard (2017) posit that when employees receive encouragement for their creative efforts and do not experience high time pressure, they are more likely to persist in their idea generation endeavours and even start inventing in their spare time. Studies have evidenced that individuals produce more creative work when they perceive themselves to have choices regarding how to go about accomplishing the tasks they are given. Thus, allowing the staff to pursue their own ideas during work hours provides time to observe, experiment and speculate with others are vital for innovation outcomes (Burcharth, Knudsen, & Søndergaard, 2017).

According to Laursen (2012) offering freedom to employees to define how best to achieve tasks assigned to them nourishes the pursuit of innovative projects associated with high levels of uncertainty and potentially high pay-offs. However, jobs with stringent roles, conditions and low autonomy tend to encourage narrow perspectives and limit creative performance. This arises from the fact that low autonomy hamper creative act of employees in terms of finding new applications for given ideas or technologies (Burcharth, Knudsen, & Søndergaard, 2017). It is apparent that opportunities identified through external search channels are often poorly defined and hardly ever ready to be exploited immediately, hence, they are intrinsically dependent on the individual employee’s creativity to discern them and translate or integrate them into local use. The study therefore, sought to investigate how creative autonomy impact on performance.

### 2.4.2 Adaptive Performance

According to Solberg (2017), the belief that remaining competitive in changing business environments requires continual adaptation has become a mainstay of contemporary management theory and practice such that organizations facing ongoing change are encouraged to develop the capability to manage it, often through investments intended to make human capital and human resource management systems more flexible. Further, emergence of team-based jobs, rapidly changing and advancing technology, rapid globalization, and cultural diversity has altered the nature of work across multiple levels leading to calls for adaptability as a way for workers to cope with such change (Stokes, Schneider, & Lyons, 2010). Accordingly, organizational success depends on employees who perform adaptively by coping with and responding to changing job demands and
behavior that often requires acquiring new skills to accommodate changes in core work tasks or to modify established modes of task performance (Solberg, 2017).

Looking at the concept of adaptive performance as an individual’s ability to adapt to dynamic work situations, Charbonnier-Voirin and Roussel (2012) isolated eight dimensions of adaptive performance which, include: dealing with uncertain or unpredictable work situations; handling emergencies or crisis situations; solving problems creatively; handling work stress; learning new tasks, technologies and procedures; demonstrating interpersonal adaptability; demonstrating cultural adaptability; and demonstrating physically oriented adaptability. Thus, different combinations of these factors creates a framework of uncertainty even in the definition of the concept itself.

For Charbonnier-Voirin and Roussel (2012), successful adaptive performance implies that employees are able to efficiently deal with uncertain and unpredictable work situations that may, for example, arise from organizational restructuring, a change in priorities, or the lowered availability of resources. It requires that employees adapt quickly and easily and make decisions in the face of inherent uncertainty and ambiguity.

Predictor of adaptive performance are generally categorized into two, person and situation factors and motivational and knowledge-based factors. According to Jundti, Shoss and Huang (2015), person and situation factors are distal factors which reflect characteristics of persons, training programs, or job/task environments that are relatively stable over time and across individuals and are relatively removed from the actual enactment of adaptive performance; while motivational and knowledge-based factors are proximal factors, which serve as more direct inputs into performance.
Figure 2.2: Antecedents of adaptive performance

Source: Jundti, Shoss and Huang (2015)

2.4.3 Entrepreneurial Orientation

According to Morris and Kuratko (2002), entrepreneurial orientation defines the desire or inclination of an individual or organization to take advantage of new opportunities and undertake the responsibility to create innovative and effective change. Moghaddama, Khorakianb and Maharatic, (2015) explains that an entrepreneurial organization is the one that engages in innovation of market products, undertakes risky business and introduces innovation to get ahead of its rivals. This is driven by proactive leaderships and overall entrepreneurial behavior.

Proponents of organizational entrepreneurial orientation argue that organization with entrepreneurial orientation can contribute to the creation of competitive profit in business firms by reducing costs and accelerating the development of technology (Kahkha, Kahrazeh, & Armesh, 2014). Further at individual employee level, people possessing higher levels of entrepreneurial traits/orientation tend to be more satisfied with their actual jobs than those with lower levels (Luca & Simo, 2016). This high level of satisfaction becomes a key motivating factor and driver for commitment, creativity, innovativeness, pro-activeness, internal locus of control and social skills which help to reach better individual and organizational performance.
There has been mixed results on the exact link between entrepreneurial orientation and organizational performance. While some findings show positive relationship between entrepreneurial organization and organizational performance, other findings show a weak and even negative relationship between entrepreneurial organization and organizational performance. A study by Vasconcelos, Silveira and Bizarrias (2016) used a confirmatory factorial analysis through a structural equation modeling, to test the mediating role of entrepreneurial orientation between the relationship between the organizational learning and the organizational performance. The study showed that, entrepreneurial orientation has a very strong relationship with organizational performance in small businesses but the effect declines during enterprise consolidation and as the firm matures.

A similar study by Otachea and Mahmood (2015) established a moderating and mediating effects of external environment and organizational culture on the relationship between organizational entrepreneurial orientation and business performance. That is, the effect of organizational entrepreneurial orientation on business performance is dependent on supportive external environmental factors and organizational cultures. Thus, Otachea and Mahmood (2015) concludes that business organizations will benefit more for undertaking entrepreneurial activities if the environment is dynamic and competitive; if the environment presents opportunities for exploitation and resources for exploiting the opportunities; and if the business organizations is entrepreneurially inclined with a supportive culture.

On the other hand, a study by Moghaddama, Khorakianb and Maharatic (2015) shows that there is no entrepreneurial orientation and entrepreneurial management in government organizations in Mashhad City. Hence, in these government organizations, there is no organizational entrepreneurship. The study attributed this to lack of entrepreneurial culture in government organizations of Mashhad. This presents lack of consistency on the exact influence of entrepreneurial orientation on organizational performance. Particularly, the role of entrepreneurial orientation in public institutions has not been fully explored and accounted for. It was therefore of interest to create an understand on the influence of entrepreneurial orientation on organization performance of government institutions like KPLC.
2.4.4 Customer Centric

The most fundamental factor in the current business world is customer satisfaction. Waititu, (2014) posits that businesses can survive as long as they can meet the customers’ needs and enable customer satisfaction. Hence, determining the consumer’s wishes and needs and meeting them is one of the ways of enabling consumer satisfaction (Waititu, 2014). According to Hamel and Rademakers (2016), customer centricity is the art of establishing and strengthening distinctive customer relationships as the cornerstone of key value creation process for enhancing customer satisfaction and organizational financial performance.

According to Srisamran and Racatham (2014), since customer relationship marketing is focusing on customers, customer-centric context means that all members of the organization and processes must have a customer-focused orientation with the whole organization focusing primarily on the customers. Customer centricity therefore require proper alignment of all the organization’s resources, process and objectives to customer focused mindset. The link between customer centricity and organizational performance is that as the organization focuses on the customer for value creation, the created customer value leads to customer satisfaction which in turn translates to enhanced financial performance for the organization. The argument is that as the organization focus on customers for value creation, part of customer value created should be directly captured in terms of financial outputs as well as strategic competitive outcomes.

Customer centricity can be executed for example in the form of personalized marketing and products, joint new product development as well as building personalized relationships requiring a strong mentality of customer-centricity (Hänninen, 2017). Lee, Sridhar, Henderson and Palmatier (2014) conducted a longitudinal data analysis on the Fortune 500 firms to establish the link between customer centricity and organizational performance. The study revealed that a corporate-level customer-centric structure translates to greater customer satisfaction, but simultaneously adds coordinating costs.

The study also presented a mix of findings in that it indicated that focus on customer-centric structures does not always produce positive success. For instance the benefits of increased customer satisfaction diminish where competitors have already adopted customer-centric
structures; in fragmented markets where competitors leave few unique customer needs unaddressed; and in less profitable industries (Lee, Sridhar, Henderson, & Palmatier, 2014). Furthermore investment in customer centricity may not always produce an equivalent or greater marginal contributions in highly competitive business environments.

2.5 Harmonizing Culture and Organizational Performance

Harmonizing culture lies between the external focus and stability and focuses on shared value systems, strategic and tactics, strategic alignment and charismatic leadership to achieve internal integration (Curteanu & Constantin, 2010).

2.5.1 Value

There are varied definition for the individual and corporate value. Bissett (2014) defines the concept of personal values as relatively stable, evaluative beliefs that guide a person’s preferences for outcomes or courses of action in a variety of situations. Hence values are a personal perception of what is good and bad, wrong and right. According to McShane, Olekalns and Travaglione (2010) values act as moral compasses, for an individual, guiding them and their motivations. They posit that individuals tend to place values in a hierarchy of preference, which is known as a values system, thus each person has their own unique values system, where the most salient and relevant values are placed above those that are less relevant to that individual and situation (Bissett, 2014).

Research investigating values systems has evolved from a multitude of models. Allport, Vernon and Lindzey Value Theory grouped measures for value systems into six classes including religion, politics and economics, whereas Rokeach’s Values Theory attempted to focus more on the individual, constructing two lists of values: instrumental values and terminal values (Bissett, 2014). Instrumental values are goals or desires, whereas terminal values refer to types of behaviors that will hopefully result in achieving ones instrumental values (Bissett, 2014).

The contemporary Schwartz’s values model state that values are concepts or beliefs, pertain to desirable end states or behaviors, transcend specific situations, guide selection or evaluation of behavior and events, and are ordered by relative importance. The model has two main dimension of which include self-transcendence versus self enhancement and openness to change versus conservation. Each of the dimensions are further divided to
other main value systems. For instance Self Transcendence (universalism and benevolence); Self Enhancement (Power and Achievement); Conservation (tradition, conformity and security); and Openness to Change (Hedonism, stimulation, self-direction). Empirical evidence has shown that organizational values are an important organizing principle in the designing of human resource management policies towards achieving the organizational objectives (Rosete, 2006; Bissett, 2014; McShane, Olekalns, & Travaglione, 2010).

2.5.2 Strategy and Tactics
The concept of strategy has drawn varied definitions in the past 4 decades. Mintzberg and Lampel (1999) defined strategy as a balance of actions and choices between internal capabilities and external environment of an organization. Bateman and Zeithman (1993) defined the concept as a pattern of actions and resource allocations designed to achieve the goals of the organization. Thus, according to Al-Surmi, Cao and Duan (2016) business strategy is the general direction in which a firm chooses to move in order to achieve its goals and objectives, which is classified into prospector, defender, analyzer, and reactor. Accordingly, strategy forms a comprehensive modern plan that states how the organization will achieve its mission and objectives, maximizes competitive advantage and minimizes competitive disadvantage (Muchira, 2013).

There is some evidence in the literature that business strategy affect firm performance positively. A study by Hajar (2015) to explore the effect of business strategy on innovation on firm performance in the small industrial sector show that partially, business strategy have a positive effect on innovation. The relationship between business strategy and firm performance is thus mediated by innovation which has a positive effect on firm performance. A similar study by Muchira (2013) to explore the effect of strategy implementation among commercial banks in Kenya indicated that strategy implementation influences organization performance where organization use various measures such as projected performance of competitors, organization goals.

Further empirical evidence by Rakovska (2013) while investigating the effect of strategy and logistics on performance concluded that the key to competitive success is to choose the appropriate strategy and develop the corresponding logistics capabilities including the
management capability to consolidate knowledge and skills in the supply chain. However evidence of the impact of strategy on performance is well document, the contexts of the studies vary from the environmental, both internal and external at KPLC. The study therefore sought to seek convergence using KPLC as a case study.

2.5.3 Strategic Alignment
According to Walter, Floyd, Veiga and Matherne (2013) the focus on strategic alignment explicitly acknowledges the widely shared premise of strategic management research that the fit or alignment of an organization’s strategy with its context is crucial to organizational performance. This premise has its theoretical roots in the contingency perspective formulated in the original strategy paradigm of matching or aligning organizational resources with environmental opportunities and threats and has since received substantial empirical support (Walter, Kellermanns, Floyd, Veiga, & Matherne, 2013). The concept of alignment thus arose from the idea that organizations should strive to “match”, “align,” or “fit” their organizational resources to the competitive context in which the organization is situated (Baker & Jones, 2018).

In general, alignment has been defined as the degree to which the needs, demands, goals, objectives, and/or structure of one component are consistent with the needs, demands, goals, objectives, and/or structure of another component (Baker & Jones, 2018). Studies show that strategic alignment is vitally important to improving organizational performance and conversely, the lack of strategic alignment is believed to be risky and could possibly lead into a steady decline in competitive ability (Al-Surmi, Cao, & Duan, 2016).

Almasri, Alsaraireh and Bader (2013) argue that to achieve alignment managers have to enforce company performance with both their strategies and their company processes and in this way alignment will have its direct effect on achieving the company goals and objectives and will enhance innovation and creativity at the organization atmosphere; Moreover, alignment will impact on enhancing decision making process by making it more decentralized.

Baker and Jones (2018) presents five types of alignments. The business alignment which is built upon the idea that an organization’s structure and resources should evolve to
support the strategic mission of the organization. *Information* alignment based on the logic that when information strategy is developed, then the information management resource deployment should be guided by that information strategy. The *contextual alignment* based on the logic that the organization should strive to align its resources with the competitive context in which the organization exists. *Structural alignment* which promotes congruence between organizational resources and information and management resources. *Strategic alignment* which seeks for congruence between information management strategy and organizational strategy for future performance (Baker & Jones, 2018).

2.5.4 Charismatic Leadership
The leading scholars of leadership give the concept charisma different definitions. Max Weber in the breadth of his career presented two perspectives on the concept. One, he defined charisma as a certain quality of an individual personality by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities (sexist language changed) (Nikoloski, 2015). Second, as a devotion to the specific and exceptional sanctity, heroism, or exemplary character of an individual person and of the normative patterns revealed or ordained by that person (Nikoloski, 2015).

Yukl (1994) defined charisma as the process of influencing major changes in the attitudes and assumptions of organization members, and building commitment for the organization’s objectives. Ansar, Aziz, Majeed and Rassol (2016) explain that charismatic leadership is the process of encouraging certain behaviors in other via force of personality, persuasion and communication. They further posit that charismatic leadership inspire their followers to do things or to do things better, has its effects by strongly engaging followers’ self-concepts in the interest of the mission articulated by the leader, and is about heroism and flexibility.

Charismatic leadership has been characterized by the ability to create an atmosphere of change and articulate an idealized vision of a better future. They have an ability to communicate complex ideas and goals in clear, compelling ways, so that people understand and identify with their message. They also act in unconventional ways and use
unconventional means to transcend the status quo and create change, their source of influence comes from personal characteristics rather than a formal position of authority (Nikoloski, 2015). Hence, within the context of an organization, charismatic leaders are able to inspire, motivate and support the employees, who in turn attain supernormal results neglecting personal goals, problems and difficulties in operation (Nikoloski, 2015).

2.6 Chapter Summary
The chapter was organized according to the research questions. First the chapter discussed the theoretical model on which the study was based. Secondly cooperating culture traits were discussed followed innovating culture traits, and harmonizing culture traits and their influence on organizational performance. The next chapter discusses the study methodology adopted.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter discussed the methods, procedures and techniques used for sampling, data collection, manage and analysis so as to answer the study questions. The chapter also identifies the appropriate research design, study population and sampling technique.

3.2 Research design
Research design is a well-defined procedure/plot used that shows the means of data collection and analysis with the aim of full filing the study objectives (Mugenda & Mugenda, 2003). A research design specifies the objectives of the study, methodology and techniques to be adopted for achieving the objective (Shajahan & Shajahan, 2009). The study used a descriptive research design. Descriptive design is restricted to factual registration and that there is no quest for an explanation why reality is showing itself this way (Voordt, 2014). This ensures objectivity and neutrality in drawing conclusions (Mugenda & Mugenda, 2003). This was appropriate for the study since it sought to create the actual understanding of the organizational culture on performance. That is, the objective was to describe reality that way it is (Voordt, 2014).

3.3 Population and Sampling Design

3.3.1 Population
Study population is a collection of all the people or items with certain common characteristics of interest to studied (Rahi, 2017). The study population for the study was the entire 11,295 workforce of KPLC (Kenya Power, 2017).

3.3.2 Sampling Design
Sampling is the process of selecting segment of the population for investigation (Rahi, 2017). It is a process of selecting a sample of units from a data set in order to measure the characteristics, beliefs and attitudes of the people (Hair, 2003).
3.3.2.1 Sampling Frame

Sampling frame is a listing of all study population elements to be considered in the study (Rahi, 2017). The company is grouped into 11 regions with four regions being based in Nairobi. The sampling frame in this study constituted a listing of 4,697 employees of Kenya Power based at the four regions of the Central Office, Nairobi North, Nairobi West and Nairobi South (Kenya Power, 2017). The list was informed of staff inventory at the company’s human resource data base.

Table 3.1: Sample Frame Distribution

<table>
<thead>
<tr>
<th>Region</th>
<th>Sample Frame</th>
<th>Management Staff</th>
<th>Non-management Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Office</td>
<td>2,093</td>
<td>524</td>
<td>1,569</td>
</tr>
<tr>
<td>Nairobi North</td>
<td>838</td>
<td>118</td>
<td>720</td>
</tr>
<tr>
<td>Nairobi West</td>
<td>913</td>
<td>109</td>
<td>804</td>
</tr>
<tr>
<td>Nairobi South</td>
<td>853</td>
<td>128</td>
<td>725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,697</strong></td>
<td><strong>879</strong></td>
<td><strong>3,818</strong></td>
</tr>
</tbody>
</table>

Source: Kenya Power (2017)

3.3.2.2 Sampling Technique

Sampling technique is the method of selecting a representative subset of the population to be studied and the findings used to generalize the population characteristics of interest (Taherdoost, 2016). Stratified random sampling was adopted to classify the sample frame into regions and level of management. Due to variability (regions) within the population, stratified random sampling was preferred because it ensures that each stratum of the population is adequately represented and each member of the population is accorded a chance to participate the study (Rahi, 2017; Taherdoost, 2016).

3.3.2.3 Sample Size

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole/population (Mugenda & Mugenda, 2003). To determine the sample, the most used sample calculation formula was adopted (Rahi, 2017).

\[
S = \frac{X^2NP(1-P)}{d^2(N-1)+X^2P(1-P)}
\]

Where: 
- \(S\) = Sample size
- \(X\) = Z value (1.96)
- \(N\) = Total Population
P = Population proportion (0.5)

\[ d = \text{Margin of error (.05)} \]

\[ S = \frac{(1.96\times1.96)\times4.697\times0.5\times(1-0.5)}{(0.05\times0.05)\times(4.697-1)+(1.96\times1.96\times0.5\times(1-0.5))} = 354 \]

This sample was then stratified as follows;

<table>
<thead>
<tr>
<th>Region</th>
<th>Sample Frame (4,697)</th>
<th>Sample Size (354)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management Staff</td>
<td>Non-management Staff</td>
</tr>
<tr>
<td>Central Office</td>
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</tr>
<tr>
<td>Nairobi South</td>
<td>128</td>
<td>725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>879</strong></td>
<td><strong>3,818</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection
A survey instrument was used to collect data from the sampled respondents. The instrument was in the form of a questionnaire. The instrument was preferred because it standardized data collection (Mugenda & Mugenda, 2003). The questionnaire was organized in line with the research questions and had six parts. The first part collected the general information about the respondents. The second part collected data about the first independent variable (cooperating culture).

The third part collected data on the second independent variable (innovating culture). The fourth part collected data on the third independent variable (harmonizing culture) while the last part collected data on the organizational performance. The questionnaire had closed ended questions and open ended questions. The closed ended questions were in form of a five point Likert scale. Open ended questions were used to seek more insights from the respondents (Mugenda & Mugenda, 2003).

3.5 Research Procedure
Before the actual study, pilot test was conducted to test for validity and reliability of the instrument in eliciting the right information. Ten respondents were randomly chosen from the sampling frame to participate in the pilot study. Their feedback was analyzed to check whether the respondents understood the questions as intended. Cases of ambiguity and
grammatical errors were corrected before the actual study to ensure reliability of the instrument. The 10 respondents who participated in the pilot study were excluded from the final study to eliminate bias from previous exposure to the tool. Expert opinion from the supervisor was sought to ensure validity of the instrument.

The study adopted a drop and pick strategy to collect data. The questionnaires were printed and distributed to the respondents by use of research assistants. The questionnaires were distributed between 8:00 am and 5:00 pm between Monday and Friday. The respondents were then given up to one week there after the research assistants went round to collect the duly filled questionnaires for analysis. It improve response rate, the research assistants made telephone calls two days prior to collecting back the questionnaire to confirm that the respondent had filled the questionnaires and urge those who had not filled to do so. An introductory letters from the USIU and human resources department of KPLC were also used to assure the respondents that the study was purely for academic purposes.

3.6 Data Analysis Method
Data analysis was in two parts. Frequencies, means and percentages were used to describe the characteristics of the sample. Further, regression analysis was used to infer meaning about the entire population from the sample findings. Analysis of variances, model summaries and regression coefficients were used to describe the characteristics of population of study. Statistical Package of Social Sciences (SPSS) and excel were used as the principle data analysis tools. The findings were presented in various forms of figures and tables.

3.7 Chapter Summary
The chapter outlined the methods, procedures and techniques used for sampling, data collection, management and analysis so as to answer the study questions. The chapter also identified the appropriate research design, study population and sampling technique. Chapter four presents the study findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter offers the study findings. The chapter has three main sections. Section 4.2 presents demographics of the respondents. Section 4.3, the descriptive statistics. Section 4.4, the inferential statistics.

4.2 Demographic Characteristics

4.2.1 Response Rate
Table 4.1 shows that the study attained accumulative response rate of 75%. Management staff had 74% response rate while non-management staff had 75% response rate. Response rate from Central office was at 74%; Nairobi North at 70%; Nairobi West at 80%; and Nairobi South at 77%.

<table>
<thead>
<tr>
<th>Region</th>
<th>Sample (354)</th>
<th>Response Rate (265)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management</td>
<td>Non-management</td>
</tr>
<tr>
<td></td>
<td>Staff</td>
<td>Staff</td>
</tr>
<tr>
<td>Central Office</td>
<td>39</td>
<td>118</td>
</tr>
<tr>
<td>Nairobi North</td>
<td>9</td>
<td>54</td>
</tr>
<tr>
<td>Nairobi West</td>
<td>8</td>
<td>61</td>
</tr>
<tr>
<td>Nairobi South</td>
<td>10</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>288</td>
</tr>
</tbody>
</table>

1.2.2 Management Position
The respondents were asked to indicate their position in the organization. Figure 4.1 shows that 18% of the respondents held management positions while 82% were in non-management positions. This shows an organization with a pyramid structure.

Figure 4.1: Management Position
1.2.3 Gender

The respondents were asked to indicate their gender. Figure 4.2 shows that 41% of the respondents were females while 59% were males. This shows that majority of the respondents were male.

![Gender Pie Chart]

**Figure 4.2: Age of the Respondents**

1.2.4 Age Category

Majority of the respondents were aged between 26 and 35 years (45.3%). This was followed by those aged between 36 and 45 years (27.5%), 18 to 25 years (12.5%), 46 to 55 years (9.4%), and above 55 years (5.3%).

![Age Categories Bar Chart]

**Figure 4.3: Age Categories**
1.2.5 Years of Service

Figure 4.4 indicates that majority of the respondents had worked for KPLC for 5 to 10 years (24.2%). This was followed by 11 to 15 years (19.2%); less than 5 years (15.1%); 21 to 25 years (12.8%); and 26 to 30 years (6%).

![Length of Service](image)

Figure 4.4: Length of Service

1.2.6 Region of Operation

Figure 4.5 shows that 44% of the respondents were from the central office, 21% from Nairobi west region, 19% from Nairobi South region and 16% from Nairobi North Region.

![Region of Operation](image)

Figure 4.5: Region of Operation
4.3 Descriptive Statistics

4.3.1 Co-operating Culture

Table 4.2 shows that 46.6% agreed (40.6% agreed; 6.0% strongly agreed) that there is cooperating culture at KPLC. Twenty percent of the respondents were neutral while 19.8% disagreed (11.2 disagreed; 8.6% strongly disagreed). Forty five percent (45%) agreed that there is team work while 42.1% agreed that there is competency development and only 34.5% agreed that the work environment at KPLC is supportive. Majority (41.2%) disagreed agreed that there is adequate dialogue among staff.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency and Percentages (%)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>Team work</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>(7.7%)</td>
<td>(21.1%)</td>
</tr>
<tr>
<td>Dialogue</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>(8.8%)</td>
<td>(32.4%)</td>
</tr>
<tr>
<td>Competency development</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>(6.5%)</td>
<td>(19.2%)</td>
</tr>
<tr>
<td>Supportive environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>(11.5%)</td>
<td>(21.8%)</td>
</tr>
<tr>
<td>Cooperating Culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>90</td>
<td>117</td>
</tr>
<tr>
<td></td>
<td>(8.6%)</td>
<td>(11.2%)</td>
</tr>
</tbody>
</table>

4.3.2 Innovating Culture

Table 4.3 shows that the majority of the respondents (47.7%) agreed that there is an innovating culture at KPLC. Majority (73.5%) agreed that the company is customer centric, 48.5% that they have creative autonomy at their work place and 35.2% that there is entrepreneurial culture at KPLC. On the contrary, majority (50.5%) disagreed that there is change culture at KPLC.
Table 4.3: Innovating Culture

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency and Percentages (%)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>Creative autonomy</td>
<td>35 (14.4%)</td>
<td>34 (13%)</td>
</tr>
<tr>
<td>Change</td>
<td>29 (11.1%)</td>
<td>103 (39.4%)</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>18 (6.9%)</td>
<td>63 (24.1%)</td>
</tr>
<tr>
<td>Customer centric</td>
<td>22 (8.5%)</td>
<td>22 (8.5%)</td>
</tr>
<tr>
<td>Innovating Culture</td>
<td>104 (9.9%)</td>
<td>222 (21.2%)</td>
</tr>
</tbody>
</table>

4.3.3 Harmonizing Culture

Table 4.4 shows that majority (65.8%) agreed that there is harmonizing culture at KPLC. Sixty nine point three percent (69.3%) agreed that there is common value system at their workplaces, 59% agreed that they have a strategy for achieving organizational objectives, 81.1% agreed that there is strategic alignment of activities and operations at their work place, while 65.1% agreed that they have charismatic leaders at their work place.

Table 4.4: Harmonizing Culture

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency and Percentages (%)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>Values</td>
<td>20 (7.7%)</td>
<td>16 (6.2%)</td>
</tr>
<tr>
<td>Strategy</td>
<td>21 (8.0%)</td>
<td>49 (18.8%)</td>
</tr>
<tr>
<td>Strategic alignment</td>
<td>15 (4.2%)</td>
<td>19 (7.3%)</td>
</tr>
<tr>
<td>Charismatic leadership</td>
<td>30 (11.5%)</td>
<td>28 (10.7%)</td>
</tr>
<tr>
<td>Harmonizing Culture</td>
<td>82 (7.9%)</td>
<td>112 (10.7%)</td>
</tr>
</tbody>
</table>

4.3.4 Organizational Performance

Table 4.5 indicates provision of quality services by the company (66.7%); customer satisfaction (57.4%), sound social responsibility (77%), but moderate employee satisfaction (50.3%).
Table 4.5: Organizational Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency and Percentages (%)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>Service quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(12.3%)</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>24</td>
<td>62</td>
</tr>
<tr>
<td>(9.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>20</td>
<td>95</td>
</tr>
<tr>
<td>(7.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social responsibility</td>
<td>15</td>
<td>28</td>
</tr>
<tr>
<td>(5.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>91</td>
<td>205</td>
</tr>
<tr>
<td>(8.7%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.4 Inferential Statistics

Regression analysis was run to establish the nature of relationship between the independent variables and the dependent variable. The analysis was organized according the research questions.

4.4.1 Co-operating Culture and Organizational Performance

The model summary in Table 4.6 shows that keeping all other factors constant, 63.6% ($R^2=0.636$) variance in organizational performance at KPLC can be attributed to cooperating culture.

Table 4.6: Model Summary for Cooperating Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.798(^a)</td>
<td>.636</td>
<td>.635</td>
<td>.590</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Cooperating Culture

Table 4.7 indicates that relationship between cooperating culture and organizational performance is statistically significant at 95% level of confidence ($F (1,258) =450.977$, $p=0.00$)

Table 4.7: ANOVA for Cooperating Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regression</td>
<td>156,917</td>
<td>1</td>
<td>156,917</td>
<td>450.977</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>89,771</td>
<td>258</td>
<td>.348</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>246,688</td>
<td>259</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance  
b. Predictors: (Constant), Cooperating culture
Table 4.8 shows that the predictive model of organizational performance from cooperating culture is:

**Organizational Performance=0.522 + 0.801*Cooperating Culture**

That is, keeping all other factors constant, every positive unit change in the level of cooperating culture leads to 0.801 positive change in organizational performance.

**Table 4.8: Coefficients for Cooperating Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.522</td>
<td>.124</td>
<td>4.218</td>
</tr>
<tr>
<td></td>
<td>Cooperating culture</td>
<td>.801</td>
<td>.038</td>
<td>21.236</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

**4.4.2 Innovating Culture and Organizational Performance**

The model summary in Table 4.9 shows that keeping all other factors constant, 66.3% ($R^2=0.663$) variance in organizational performance at KPLC can be attributed to innovating culture.

**Table 4.9: Model Summary for Innovating Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.815a</td>
<td>.663</td>
<td>.662</td>
<td>.567</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Innovating culture

Table 4.10 indicates that relationship between innovating culture and organizational performance is statistically significant at 95% level of confidence ($F (1,258) =508.638, p=0.00$)

**Table 4.10: ANOVA for Innovating Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regression</td>
<td>163.669</td>
<td>1</td>
<td>163.669</td>
<td>508.638</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>83.019</td>
<td>258</td>
<td>.322</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>246.688</td>
<td>259</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Innovating culture

Table 4.11 shows that the predictive model of organizational performance from innovating culture is;
Organizational Performance = 0.379 + 0.830*Innovating Culture

That is, keeping all other factors constant, every positive unit change in the level of innovating culture leads to 0.830 positive change in organizational performance.

**Table 4.11: Coefficients for Innovating Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.379</td>
<td>.123</td>
<td></td>
<td>3.081</td>
</tr>
<tr>
<td></td>
<td>.830</td>
<td>.037</td>
<td>.815</td>
<td>22.553</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

**4.4.3 Harmonizing Culture and Organizational Performance**

The model summary in Table 4.12 shows that keeping all other factors constant, 70.9% ($R^2$=0.709) variance in organizational performance at KPLC can be attributed to harmonizing culture.

**Table 4.12: Model Summary for Harmonizing Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.842*</td>
<td>.709</td>
<td>.708</td>
<td>.528</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Harmonizing culture

Table 4.13 indicates that relationship between harmonizing culture and organizational performance is statistically significant at 95% level of confidence ($F(1,258)=627.911, p=0.00$)

**Table 4.13: ANOVA for Harmonizing Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>174.846</td>
<td>1</td>
<td>174.846</td>
<td>627.911</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>71.842</td>
<td>258</td>
<td>.278</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>246.688</td>
<td>259</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Harmonizing culture

table 4.14 shows that the predictive model of organizational performance from harmonizing culture is:

**Organizational Performance = 0.291 + 0.875*Harmonizing Culture**
That is, keeping all other factors constant, every positive unit change in the level of harmonizing culture leads to 0.875 positive change in organizational performance.

Table 4.14: Coefficients for Harmonizing Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.291</td>
<td>.114</td>
<td>2.550</td>
</tr>
<tr>
<td>1</td>
<td>Harmonizing culture</td>
<td>.875</td>
<td>.035</td>
<td>.842</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational. Performance

4.4.4 Organizational Culture and Organizational Performance

The model summary in Table 4.15 shows that keeping all other factors constant, 71.4% ($R^2=0.714$) variance in organizational performance at KPLC can be attributed to organizational culture.

Table 4.15: Model Summary for Organizational Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.845</td>
<td>.714</td>
<td>.713</td>
<td>.523</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Culture

Table 4.16 indicates that relationship between organizational culture and organizational performance is statistically significant at 95% level of confidence ($F (1,258) =643.443$, $p=0.00$)

Table 4.16: ANOVA for Organizational Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regression</td>
<td>176.084</td>
<td>1</td>
<td>176.084</td>
<td>643.443</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>70.604</td>
<td>258</td>
<td>.274</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>246.688</td>
<td>259</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational. Performance
b. Predictors: (Constant), Culture

Table 4.17 shows that the predictive model of organizational performance from organizational culture is;

Organizational Performance=$0.226 + 0.888\times$Organizational Culture
That is, keeping all other factors constant, every positive unit change in the level of organizing culture leads to 0.744 positive change in organizational performance.

**Table 4.17: Coefficients for Organizational Culture**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.236</td>
<td>.115</td>
<td>2.052</td>
</tr>
<tr>
<td></td>
<td>Culture</td>
<td>.888</td>
<td>.035</td>
<td>.845</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

In summary, the study sought to identify the influence of organizational culture on performance at KPLC. The study explored three dimensions of organizational culture. That is, cooperating culture, innovating culture and harmonizing culture traits. The findings indicate that while majority agreed that there exists harmonizing culture (65.8%) at KPLC, although still the majority only 47.7% agreed that there is innovating culture and 46.6% that there is cooperating culture at the company.

The regression analysis showed strong positive relationship between organizational culture and performance. The study showed that while keeping all other factors constant, 70.9% variance in organizational performance at KPLC can be attributed to harmonizing culture trait; 66.3% to innovating culture trait and 63.6% to cooperating culture trait. In summary, keeping all other factors constant, 71.4% variance in organizational performance is attributed to organizational culture at KPLC.

**4.5 Chapter Summary**

This chapter was a presentation of study findings. The chapter was organized according the research questions. The analysis involved descriptive analysis of the characteristics of the firms, study variables as well as inferential statistics. Means, percentages and frequencies were used for descriptive analysis while regression analysis was used for the inferential statistics. The next chapter outlines the study summary, discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter covers the study summary, discussion, conclusions and recommendations. These are presented according to the research questions presented in chapter one of this study.

5.2 Summary
The main objective of the study was to establish the influence of organizational culture on performance at KPLC. The study had three research questions. What is the influence of cooperating culture on organizational performance at KPLC? What is the effect of innovating culture on organizational performance at KPLC? What is the impact of harmonizing culture on organizational performance at KPLC?

The study used a descriptive research design. The study population was the entire 11,295 workforce of KPLC. A sample frame of 4,697 employees of KPLC based at the Central Office, Nairobi North, Nairobi West and Nairobi South was used. The study used stratified random sampling technique to select a sample of 354 to participate in the study. A questionnaire was used to collect data from the sampled respondents. Descriptive and inferential statistics were used. The findings were presented in figures and tables.

The first study objective sought to establish the influence of cooperating culture on organizational performance at KPLC. The study established a positive significant influence of cooperating culture on performance at KPLC. However, compared to innovating and harmonizing culture traits, cooperating culture was the least influential culture trait on performance at KPLC.

The second study objective sought to determine the effect of innovating culture on organizational performance at KPLC. The study finds a positive significant influence of innovating culture on performance at KPLC. Compared to cooperating and harmonizing culture traits, innovating culture was identified to have moderate influence on performance at KPLC.
The third study objective sought to explore the impact of harmonizing culture on organizational performance at KPLC. The study showed a positive significant influence of harmonizing culture on performance at KPLC. However, compared to cooperating and innovating culture traits, harmonizing culture had the highest influence on performance at KPLC.

The study concludes that there is strong positive correlation between culture and organizational performance at KPLC. The study also concludes that there is a positive relationship between cooperating, innovating and harmonizing culture and organizational performance. However, harmonizing culture trait had the greatest influence on performance at KPLC followed by innovating culture traits and then cooperating culture trait having the least influence on organizational performance at KPLC.

5.3 Discussions

5.3.1 Co-operating Culture and Organizational Performance

The first study objective sought to establish the influence of cooperating culture on organizational performance at KPLC. The presence of cooperating culture was measured by four indicators. That is, the level of teamwork, dialogue, competency development, and supportive environment. The study showed that cooperating culture has a positive significant influence on performance at KPLC. However, compared to innovating and harmonizing culture traits, cooperating culture was identified as the least influential culture trait on performance at KPLC. Less than half of the respondents confirmed existence of cooperating culture trait at their workplace.

Comparatively, presence of a supportive environment had the least score followed by the presence of dialogue, competency development and teamwork. Individual, the study identified presence of moderate teamwork at KPLC. This, however low still contributed positively to the effect of cooperating culture on performance at KPLC. This is in line with Kelemba, Chepkilot and Zakayo (2017) findings which indicated a correlation between teamwork and employee performance in the public sector in Kenya. Further, the findings are in support of Khan and Mashikhi (2017) which showed that an increase in collaboration tends to increase the number of ideas and this increases the effectiveness in tasks
assignment in the banking sector in Kenya. Similarly the supports findings by Sanyal and Hisam (2018) which revealed a strong and significant connection between the teamwork and performance of faculty members in Dhfar University.

Secondly, the study showed presence of moderate competency development at KPLC. This, however moderate still contributed positively to the effect of cooperating culture on performance at KPLC. This is in line with Boadu, Dwomo-Fokuo, Boakye and Kwaning (2014) assertion that competency development through training improves employee’s level of self-awareness, competency and motivation to perform his or her job well. The findings further support findings by Mefleh, Al-Mzary, Al-rifai, & Al-Momany (2015) which confirmed existance of a relationship between effective training and employees’ job performance among the employees at Jordanian Universities indicated. Similarly the study supports findings by Hafeez (2015) which indicated a positive significant relationship between capacity development and employee performance in terms of enhanced employee teamwork, communication skill, customer service, interpersonal relationship and reduced absenteeism among the pharmaceutical companies in Karachi, Pakistan.

Third, even though low, the study showed presence of dialogue at KPLC. This, however low still contributed positively to the effect of cooperating culture on performance at KPLC. The findings are in line with the arguments by Ince and Gül (2011) that constructive dialogue and engagements with employees has positive correlation with many organizational outputs like organizational commitment, performance, organizational citizenship behaviors, and job satisfaction. This is further in line with Rajhans (2012) who indicated that organizational dialogue can help motivate, build trust, create shared identity and spur engagement; as well as provide a way for individuals to express emotions, share hopes and ambitions and celebrate and remember accomplishments.

Lastly, even though weak, the study showed presence of supportive work environment at KPLC which contributed to the effect of cooperating culture on performance. The findings support empirical evidence by Mohda, Shaha and Zailana (2016) which showed that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety and makes employees and other organizational members to feel safe in their work environments. Thus, encourage better performance. This is also in
line with Masoud and Hmeidan (2013) who showed that perceptions that the organization cares about employees have positive influence on work attendance, job satisfaction, trust in management, and individual performance. For instance, working environment impacts on employee engagement (Mohda, Shaha, & Zailana, 2016). Thus, perceived organizational support is viewed as important variable that determines success and commitment of employees.

5.3.2 Innovating Culture and Organizational Performance

The second study objective sought to determine the effect of innovating culture on organizational performance at KPLC. Presence of innovating culture was measured by the level of creative autonomy, adaptive performance (change), entrepreneurial traits, and customer centricity. The study showed that innovating culture has a positive significant influence on performance at KPLC. Compared to cooperating and harmonizing culture traits, innovating culture was identified to have moderate influence on performance at KPLC. Nearly half of the respondents confirmed existence of innovating culture trait at their workplace.

Comparatively, customer centricity was the most prevalent innovating culture trait as affirmed by three quarters of the respondents. First, the study identified a high customer centricity at KPLC. This greatly contributed positively to the combined effect of innovating culture on performance at KPLC. As a contributor of to better performance, the findings support arguments by Srisamran and Racatham (2014) that the link between customer centricity and organizational performance is that as the organization focuses on the customer for value creation, the created customer value leads to customer satisfaction which in turn translates to enhanced financial performance for the organization. Similarly the findings are in line Lee, Sridhar, Henderson and Palmatier (2014) who conducted a longitudinal data analysis on the Fortune 500 firms and revealed that a corporate-level customer-centric structure translates to greater customer satisfaction and employee performance.

Second the study showed a moderate creative autonomy at KPLC. This, however moderate still contributed positively to the effect of innovating culture on performance at KPLC. This support findings by Sia and Appu (2015) that since creative performance in the
organization is a combined function of individual, group and organizational characteristics, the social and contextual factors which support creative autonomy directly affect an employee’s creative performance. Still the findings support argument by Burcharth, Knudsen and Søndergaard (2017) that when employees receive encouragement for their creative efforts and do not experience high time pressure, they are more likely to persist in their idea generation endeavours and even start inventing in their spare time. Thus, allowing the staff to pursue their own ideas during work hours provides time to observe, experiment and speculate with others are vital for innovation outcomes (Burcharth, Knudsen, & Søndergaard, 2017).

Third, the study indicated low entrepreneurial trait at KPLC. Low entrepreneurial trait tend to negate the influence of innovating culture on performance. Being a large company, the findings of low entrepreneurial culture is in conformance with the literature. It supports findings by Vasconcelos, Silveira and Bizarrias (2016) which showed that, entrepreneurial orientation has a very strong relationship with organizational performance in small businesses but the effect declines during enterprise consolidation and as the firm matures and become more rigid depicting low levels of entrepreneurial traits. Similarly, the findings are in line with a study by Moghaddama, Khorakianb and Maharatic (2015) which showed that there is no entrepreneurial orientation and entrepreneurial management in government organizations in Mashhad City. Hence, in these government organizations, there is no organizational entrepreneurship.

Lastly the study found a weak adaptive performance at KPLC. This is also in line with empirical evidence which confirm rigidity and lack of flexibility in government owned institutions (Moghaddama, Khorakianb, & Maharatic, 2015). The findings are also in line with findings by Vasconcelos, Silveira and Bizarrias (2016) which indicated that due to the complexity involved in large firms, large organizations tend to favour stability and find it difficult to be rapidly flexible.

5.3.3 Harmonizing Culture and Organizational Performance

The third study objective sought to explore the impact of harmonizing culture on organizational performance at KPLC. Harmonizing culture trait was measured by the type of value system, strategy, extent of strategic alignment, and the extent of charismatic
leadership. The study showed that harmonizing culture has a positive significant influence on performance at KPLC. However, compared to cooperating and innovating culture traits, harmonizing culture had the highest influence on performance at KPLC. Two thirds of the respondents confirmed existence of harmonizing culture trait at their workplace.

Comparatively, presence of strategic alignment was the most prevalent harmonizing culture trait followed by common value system, charismatic leadership and strategic direction. First, the study identified a very high strategic alignment at KPLC. Presence of high strategic alignment favorably contribute to influencing performance. This is in line Walter, Floyd, Veiga and Matherne (2013) who argued that matching or aligning organizational resources with environmental opportunities and threats has positively influenced performance. This is also in line with a study by Al-Surmi, Cao and Duan (2016) which showed that strategic alignment is vitally important to improving organizational performance and conversely, the lack of strategic alignment is believed to be risky and could possibly lead into a steady decline in competitive ability.

Second the study showed presence of common value system at KPLC. Presence of common value systems has been shown to positively influence performance as found in this study. The findings are in line with empirical evidence from Rosete (2006); Bissett (2014; McShane, Olekalns and Travaglione (2010) which showed that organizational values are an important organizing principle in the designing of human resource management policies towards achieving the organizational objectives.

Third, the study indicated presence of charismatic leadership at KPLC. This positively influenced the effect of harmonizing culture on performance at KPLC. This supports findings that charismatic leaders are able to inspire, motivate and support the employees, who in turn attain supernormal results neglecting personal goals, problems and difficulties in operation (Nikoloski, 2015).

Lastly, the study illustrated presence of strategic direction at KPLC. This also influenced the effect of harmonizing culture on performance at KPLC. This supports findings that Hajar (2015) that partially, business strategy have a positive effect on innovation and performance among small industrial sector. Similarly the findings support findings by
Muchira (2013) which established that strategy implementation influences organisation performance where organization use various measures such as projected performance of competitors, organization goals among commercial banks in Kenya. Further it supports conclusions by Rakovska (2013) that key to competitive success is to choose the appropriate strategy and develop the corresponding logistics capabilities including the management capability to consolidate knowledge and skills in the company.

5.4 Conclusions

5.4.1 Co-operating Culture and Organizational Performance
The first study objective sought to establish the influence of cooperating culture on organizational performance at KPLC. The presence of cooperating culture was measured by four indicators. That is, the level of teamwork, dialogue, competency development, and supportive environment. The study concludes that there is a positive significant influence on performance at KPLC. However, compared to innovating and harmonizing culture traits, cooperating culture was the least influential culture trait on performance at KPLC. Comparatively, presence of a supportive environment had the least score followed by presence of dialogue, competency development and teamwork.

5.4.2 Innovating Culture and Organizational Performance
The second study objective sought to determine the effect of innovating culture on organizational performance at KPLC. Presence of innovating culture was measured by the level of creative autonomy, adaptive performance (change), entrepreneurial traits, and customer centricity. The study concludes that innovating culture has a positive significant influence on performance at KPLC. Compared to cooperating and harmonizing culture traits, innovating culture was identified to have moderate influence on performance at KPLC. Comparatively, customer centricity is the most prevalent innovating culture followed by creative autonomy, entrepreneurial culture and adaptive performance (change).

5.4.3 Harmonizing Culture and Organizational Performance
The third study objective sought to explore the impact of harmonizing culture on organizational performance at KPLC. Harmonizing culture trait was measured by the type
of value system, strategy, extent of strategic alignment, and the extent of charismatic leadership. The study concludes that harmonizing culture has a positive significant influence on performance at KPLC. However, compared to cooperating and innovating culture traits, harmonizing culture had the highest influence on performance at KPLC. Comparatively, presence of strategic alignment was the most prevalent harmonizing culture trait followed by common value system, charismatic leadership and strategic direction.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Co-operating Culture and Organizational Performance
Cooperating culture has been identified as the weakest link in promoting organizational performance at Kenya. The role of cooperating culture has been well documented in literature. Therefore, the study recommends that KPLC invest in creating supportive work environment, improving dialogue, enhancing employee capacity building and teamwork so as to harness the opportunities that arises form a cooperating culture in an organization.

5.5.1.2 Innovating Culture and Organizational Performance
Innovation in a highly dynamic environment has been shown to have a very clear link to organization competitiveness and survival. The study recommends strategy review to create more focus on customers, provide room for creative autonomy, promote entrepreneurial culture and adaptive performance among employees at KPLC, if the firms seeks for better future performance.

5.5.1.3 Harmonizing Culture and Organizational Performance
Harmonizing culture has been identified as the most significant influence of performance at KPLC. The study recommends strategic alignment, establish common value systems, promotion of charismatic leadership and strategy review.

5.5.2 Recommendations for Further Studies
The study only explored the effect of three cultural traits. Expanding the study to include other traits such as organizing trait would give more direction to the company and the
sector. Further, the study was a case study of only KPLC, including other utility firms in the energy sector would be welcome. Organizational culture is highly dynamic, studies in other time zones and sectors would provide empirical evidence to further ground the theory.
REFERENCES


APPENDICES

Appendix A: Cover Letter

P.O. Box 14634, 00800
NAIROBI
Date:…………………………….

Dear Respondent,

RE: RESEARCH QUESTIONNAIRE

I am a student at United States International University-Africa (USIU-A) pursuing a master degree in Business Administration. In fulfillment of the program, I am conducting an academic research on the influence of organizational culture on performance. KPLC is used as a case study. The findings will be important in developing strategies for enhancing cultural traits that positively enhance performance, alongside strategies for eliminating or minimizing culture traits that have negative impacts on organizational performance.

You have been randomly selected as one of the key respondents. Please note that this research is an academic study and the information provided will be held in utmost confidence. Your personal details will not appear anywhere in the report. Kindly set aside 20 minutes to fill this self-administered questionnaire.

Thank you for your support.

Yours sincerely,

Maureen Kajuju Ngara
Appendix B: Questionnaire

Kindly answer all the questions by ticking in the appropriate box or by filling in the spaces provided. The information given here will only be used for purposes of this study and will be treated with utmost confidentiality. Your cooperation is highly appreciated.

PART I: GENERAL INFORMATION

1. What is your position at KPLC?
   - Management Staff ( )
   - Non-Management Staff ( )

2. Your Gender: Male ( ) Female ( )

3. Age category:
   - 18 to 25 years ( )
   - 26 to 35 years ( )
   - 36 to 45 years ( )
   - 46-55 years ( )
   - Above 55 years ( )

4. How long have you worked for KPLC?
   - Less than 5 years ( )
   - 5 to 10 years ( )
   - 11 to 15 years ( )
   - 16 to 20 years ( )
   - 21 to 25 years ( )
   - 26 to 30 years ( )
   - 30 to 35 years ( )
   - above 36 years ( )

5. Region of operation?
   - Central Office ( )
   - Nairobi North ( )
   - Nairobi West ( )
   - Nairobi South ( )

PART II: Cooperating Culture

In the boxes provided tick your level of agreement to the statements on a scale of 1 to 5 where 1 (strongly disagree); 2 (disagree); 3 (Neutral); 4 (agree); 5 (strongly agree).

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Neutral (3)</th>
<th>Agree (4)</th>
<th>Strongly Agree (5)</th>
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</thead>
<tbody>
<tr>
<td>Team work</td>
<td>1. We have unifying goals and objectives at work</td>
<td>☐</td>
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<tr>
<td></td>
<td>2. We all work as a team in solving problems</td>
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<td></td>
<td>3. Mutual accountability is encouraged at work</td>
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<td>4. It easy to get information and support from other departments</td>
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<td>Statement</td>
<td>Strongly Disagree (1)</td>
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<td><strong>Dialogue</strong></td>
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<td>5. Consensus building widely used in making decisions at my workplace</td>
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<td>6. It is easy for members of my organization to reach an agreement on critical matters</td>
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<td>7. We readily reconcile differences when they occur</td>
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<td>8. Conflict resolution is mainly in constructive manner</td>
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<td><strong>Competency development</strong></td>
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<td>9. At my workplace, leaders take time to mentor other employees</td>
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<td>10. Leaders are concerned about employee morale</td>
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<td>11. We have well-structured employee development plans</td>
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<td>12. We get company supported opportunities to enhance our skills</td>
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<tr>
<td><strong>Supportive environment</strong></td>
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<td>13. My organization is very friendly</td>
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<td>14. I work in a family like environment</td>
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<td>15. I often get support from my colleagues when I have personal problems</td>
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<td>16. The company come into aid of employees with personal problems like sickness, death, school fees</td>
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17. In what other ways do you receive cooperation at your work place
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18. What would you suggest to enhance cooperation at your work place
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PART III: Innovating Culture

In the boxes provided tick your level of agreement to the statements on a scale of 1 to 5 where 1 (strongly disagree); 2 (disagree); 3 (Neutral); 4 (agree); 5 (strongly agree).

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<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Neutral (3)</th>
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<tr>
<td><strong>Creative Autonomy</strong></td>
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<tr>
<td>1. I am allowed to try new ways of solving job related problems</td>
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<td>2. I participate in a lot of experiments at work</td>
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<td>3. The leadership is very supportive of creative ventures</td>
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<td>4. I have control over tasks that I do at my workplace</td>
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<td><strong>Change</strong></td>
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<td>5. My organization is able to read the business environment and react quickly to current trends</td>
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<td>6. We are good at anticipating future changes and create adaptive ways to meet future customer demands</td>
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<td>7. KPLC is always adaptability to the market in a creative way</td>
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<td>8. KPLC is able to transform market trends in adaptive actions which generate value for clients</td>
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<td><strong>Entrepreneurial</strong></td>
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<td>9. My organization is highly flexible in its mode of operation</td>
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<td>10. Innovation is highly encouraged at my workplace</td>
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<td>11. Risk taking in investments which solve customer needs is highly encouraged at KPLC</td>
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<td>12. Meeting customer needs and wants is our priority at KPLC</td>
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<td><strong>Customer Centric</strong></td>
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<td>13. We have an interactive social media platforms for sharing information with the customers</td>
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</table>
14. Level of customer complaints has reduced tremendously over the years □ □ □ □ □

15. We always take into account customer information when developing new products and services □ □ □ □ □

16. All our staff members are highly responsive to customers at KPLC □ □ □ □ □

17. What recommendations would you provide in enhancing innovation at your workplace

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PART IV: Harmonizing Culture

In the boxes provided tick your level of agreement to the statements on a scale of 1 to 5 where 1 (strongly disagree); 2 (disagree); 3 (Neutral); 4 (agree); 5 (strongly agree).

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<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Neutral (3)</th>
<th>Agree (4)</th>
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<tr>
<td><strong>Values</strong></td>
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<td>1. Employees have shared values at KPLC</td>
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<td>2. At KPLC, there are standard norms of operation</td>
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<td>3. We have clear set of expectations at KPLC</td>
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<td>4. We have a sense of identity as KPLC employees</td>
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<td><strong>Strategy and Tactics</strong></td>
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<td>5. The organization has a clear and challenging vision for the future</td>
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<td>6. We have a mission which provides pride to all employees</td>
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<td>7. Our objectives at KPLC are very clear</td>
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<td>8. Company objectives give a clear direction for each employee in his/her daily activities</td>
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<td><strong>Strategic Alignment</strong></td>
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<td>9. We have value centered leadership at KPLC</td>
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<td>10. Our leaders always seek alignment of strategy, systems and people</td>
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<td>11. Competency and job evaluations are frequently conducted at my work place</td>
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<tr>
<td>12. I see how my work activities contribute to the bigger organizational goals</td>
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<tr>
<td><strong>Leaders are charismatic and visionary</strong></td>
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<tr>
<td>13. Our leaders clearly communicate the company’s objectives</td>
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<td>14. My superiors are very passionate with the company’s performance</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<td>☐</td>
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<tr>
<td>15. Style of leadership at KPLC makes me proud of working here</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<td>☐</td>
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<tr>
<td>16. The management is very clear on where they want to take the company</td>
<td>☐</td>
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</table>

17. What recommendations would you provide in enhancing harmony at your work place

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PART V: Organizational Performance

In the boxes provided tick your level of agreement to the statements on a scale of 1 to 5 where 1 (strongly disagree); 2 (disagree); 3 (Neutral); 4 (agree); 5 (strongly agree).

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Neutral (3)</th>
<th>Agree (4)</th>
<th>Strongly Agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Customer qualities are very low</td>
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<td>2. Our customers are always happy with our services</td>
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<td>3. There is very low staff turnover at KPLC</td>
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<tr>
<td>4. KPLC has very minimal grievances from communities we work in</td>
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</tbody>
</table>

THANK YOU