



Organizational Culture and Performance of Quasi-Public Institutions Within the Pension Industry in Kenya: A Case of Local Authorities Pension Trust

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ABSTRACT

This study intended to examine the organizational culture and performance of quasi-public institutions within the pension industry in Kenya with a focus on Local Authorities Pension Trust. Key theories under review in this research paper were the Balance Score Card theory, Scheins organizational culture theory and Institutional theory. Descriptive research design was employed and utilized by this research. The 224 staff working in Local Authorities Pension Trust offices across the country formed the target population of this study. In order to determine the sample size, simple random sampling was utilized. For this research, the researcher utilized a questionnaire to collect data from responders. There were both open-ended and closed-ended questions on the survey. To determine the connection between organizational culture and performance, the researcher did a multiple regression analysis. Questionnaires were utilized for gathering quantitative data, which were then evaluated employing descriptive statistics in SPSS and displayed in the form of tables, pie charts, and bar graphs. The data gathered was leveraged to create pie charts, bar graphs, and tables that illustrated facts about the link between organizational culture and performance at Local Authorities Pension Trust. The study found that a balanced mix of clan culture, adhocracy culture, market culture and hierarchical culture had a positive significant effect on the performance of LAPTRUST. The study concludes that in a clan culture, employees are encouraged to participate in decision-making processes, share their ideas, and contribute to the overall success of the organization. The study recommended that the organization should encourage cross-functional teams and collaboration across departments to break down silos and promote innovation. The organization should invest in training programs that enhance employees' market knowledge and skills can contribute to a market culture. The organization should clearly define and communicate the roles and responsibilities of each level within the hierarchy, ensuring that employees understand their position and how it fits into the overall organizational structure.

Key Words: *Organizational Culture, Quasi-Public Institutions, Pension Industry, Pension Trust*

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1.0 Introduction

1.1 Background to the Study

Where there are intense and stiff competitions and continuously changing environment around the business needs of consumers, while resources are rapidly dwindling; it becomes very important for the leadership to look for ways of enhancing their organizational performance. The management of these organizations must look for ways to ensure they remain competitive, relevant and increase their outputs. Gambi, Boer, Gerolamo, Jorgensen and Carpinetti (2015) noted that organizations across the globe are in search of ways to improve their performance for purposes of increasing chances of sustainability and success. One of the main aspects that is linked to increased organizational performance is developing the right organizational culture. The organizational development aspects help to increase the effectiveness and efficiency by ensuring sustainability of the firm. This sustainability is expected to increase performance which can only be achieved by engaging the efforts resources and majorly human resource in terms of employees of a firm (Hogan & Coote, 2014). The character and disposition of the employees in any organization can easily determine the success rate, performance rates and productivity levels realized in that firm. Enhanced performance strengthens employee loyalty, while an organization's culture is enriched by its goals, values, and norms. The management in any organization that seeks improved performance can only get such results by having committed employees. Odhiambo (2016) notes that employee commitment is heavily influenced and supported by training employees as well as deepening them, allowing their voice to be heard, participation in the decision-making process, creating a shared value system and giving a chance for career growth.

Organizational culture covers the shared norms, objectives and value system within the structure of a firm. If employees are to produce and work at optimum levels, then it is important for all of them to work as unified system that works together. Achieving this starts at recruitment and continues through induction, training, and learning, both on the job and off, covering job roles, responsibilities, expectations, and the feedback structure for sharing opinions, grievances, and praises. Hogan and Coote (2014) shared that it is an obligation of the organization's leadership or management to introduce the desired culture to the employees, this will create in them a sense of belonging and they become familiarized with the system, processes and behavior conduct while within the organization. The management must develop and ensure smooth run of continuous learning environment, this will enable the employees have an in-depth knowledge about the company, its systems and processes, products and market as per potential and current customer (Mwau, 2016). In addition, whenever the organizational culture is realized and even enhanced, employees rise in their performance which poses positivity across the organization (O'Reilly Caldwell, Chatman & Doerr (2014).

A growing number of scholars are concentrating their efforts on studies meant to determine how an organization's culture affects its performance. Organizational culture became a hot topic as management experts in the late 1980s and early 1990s investigated why US firms struggled to compete with their Japanese counterparts (Ojo, 2010). One of the earliest quantitative studies on the relationship between culture and performance was conducted by Denison (1984), who used data from 34 American (USA) businesses over a five-year span. The author examined the cultures of these organizations and evaluated their outcomes. The author analyzed the culture of these organizations and analyzed their outcomes. As a theoretical framework for understanding why Japanese firms had outperformed American corporations economically, organizational culture was



posited on the idea that leaders produced an environment that appealed to and motivated employees who, as the cited authors stated, had similar basic beliefs, assumptions, and expectations. (Denison, 1984).

Beatrice (2014) conducted research in Tanzania to examine the impact of organizational culture on the performance of businesses in the public health sector. The study's main finding was that elements of task organization, such as empowering individuals to make decisions, clearly defining roles and responsibilities, and offering opportunities for engaging and challenging work, positively influenced firm performance. In Rwanda, Kamugisha (2013) carried a research to examine the impact of change management in an organization, with particular attention to the case of the National University of Rwanda. The primary goal of this research was to analyze how change management impacts the organizational culture at the National University. The study's themes—change management and its implications on organizational structure, culture, and leadership—were utilized to synthesize the data gathered via surveys and secondary sources. Due to the University's pervasive organizational culture, the staff's significant reluctance to change emerged as the greatest challenge for the institution's administration, as shown by the study's findings. Culture also came out as a determinant of organizational performance as highlighted in the findings since it highly influenced the method of performance contracting in the institution.

Kenya then seeks to attain a decent standard of living by the year 2030 for all its inhabitants. It is about how well the nation is equipped to forge a resilient human capital base to respond to the challenges posed by a burgeoning industrial economy. Vision 2030 claims that Kenya's public service delivery is still defined by a culture that has a weak grasp of the essential tenet of the public sector, which is to serve rather than direct the populace. The government has developed a plan to deal with this problem by increasing citizen participation in setting priorities and policies in order to transform the morals and values of the whole public sector. Additionally, this plan aims to increase public service openness and accountability, both of which are essential for attaining the objectives of Vision 2030. As a result of the rapidly changing business environment locally, public institutions in Kenya have to adjust various aspects of their operations to accommodate more rapid change than ever before (Joseph & Francis, 2015). These changes have been noted to have a major effect on the micro and macro environments of all institutions including those in the pension industry. Growth of information access, a more demanding citizen, social media influence, rapidly changing technology, increased competition in some instances, mutating work force and lifestyles among other changes in the marketplace have all necessitated a need for institutions to be change-ready thus bringing culture change as a key aspect of strategy and planning. In discussing change, organization culture then becomes inescapable as it is the underpinning aspect in any successful change readiness program (Mwau, 2016).

With the onset of the Covid pandemic, organizations across the globe have had to rethink strategy to ensure performance of the entity for the benefit of all stakeholders. Institutions such as International Social Security Association (ISSA) have taken this quest higher by acknowledging pension schemes across the globe that have performed well in innovation, financial performance and technological improvements. All this is done to spur performance among public, private and quasi-public pension schemes across the globe beyond just financial metrics but with a view of all stakeholders in mind. Abu Dhabi Pension Fund for instance was awarded for excellence in social security because of their customer focus approach in serving its client base which led to over 83% satisfaction rate among its members. In their entry submission for the awards, Abu Dhabi Pension Fund note that being pensioner-centric is indeed the correct mind-set in this post Covid



environment (ISSA, 2022). An organization can take several assumptions and beliefs that they subscribe to and which identifies them. These assumptions and beliefs are what Taylor (2014) stated as simply organizational culture. These assumptions are mainly the belief systems, the values, and norms that are set in place within the organization so as to guide the behavior of all people within that single organization. It is the duty of the management within the organization to train and calculate certain specific principles and ideals through the training. Training of new employees on what is acceptable and what is not, often starts at the orientation phase; as soon as a new staff is given an offer letter or a contract, then it is paramount that the management plans how best to nurture the behavior they want to be exhibited by that employee. Oduol (2015) notes that if every employee who joins an organization goes through the same process, then they will share certain control systems and enable them to think, talk and behave as one.

Investopedia (2018) describes a quasi-public corporation as a business entity in the private sector that, while operating independently, receives government support to fulfill a specific service mission. Kosar (2011) refers to this entity as a quasi-government institution, describing it as a hybrid organization created through legislation or established practices, which possesses legal characteristics from both the public and private sectors. In Kenya, numerous quasi-public institutions have focused on enhancing their performance, often overlooking the significance of their existing organizational culture as a foundational element. To note however is that, change cannot be discussed independent of organizational culture and vice versa. The quasi-public sector has not been as thoroughly examined in terms of this relationship when compared to the private sector. LAPTRUST has received both local and global accolades over the last decade for its unique and transformational services to its clients and stakeholders at large. LAPTRUST has won over 15 regional industry accolades in the last 10 years spanning from leadership, innovation, market responsive products and the efficient internal processes. Various Pension Funds from across the continent have visited the institution to benchmark given its unique standing in the market as a market leader in the region. Among others, these include the Local Authorities Pension Fund Tanzania, National Social Security Fund Burundi, National Social Security Fund Uganda, and Caisse Sociale Rwanda. LAPTRUST has also won accolades at the International Social Security Association (ISSA), a global outfit for leading pension funds worldwide. This makes LAPTRUST an interesting case study as an organization in the quasi-public space.

1.2 Statement of the Problem

LAPTRUST's historical performance reflects strong achievements. Nevertheless; there is opportunity for advancement in the performance of this institution. The 2010 constitution's enactment brought a significant change in LAPTRUST's operations, allowing it to better serve its primary clients, the 47 County Governments. This called for a radical change as the terrain was marked with stiff competition from its competitors. The competitive environment necessitated the need for a customer-oriented view characterized by innovation, teamwork and quality focus for any of the competing entities to remain relevant in such an environment. The members were for the first time faced with options as to which scheme to join. Top leadership in the County Governments as well as members became keener on returns for members, accessibility to information, responsiveness of the Scheme in handling customer queries. These formed a strong basis for determining their choice of the preferred Pension scheme which they would then endorse for the County staff. Numerous studies have explored the relationship between organizational culture and performance. For example, Sivakami and Samitha (2018) investigated how organizational culture affects employee performance, highlighting it as a crucial factor that



supports employees in excelling in their roles. In their 2015 investigation into organizational culture and performance, Martinez, Beaulieu, Gibbons, Pronovost, and Wang observed that organizational culture leads to economic activity. The influence of organizational culture on performance was studied in the context of Kenya Power and Lighting Company Limited by Ngara (2018). A substantial and positive impact of aligning culture with performance is revealed by the results. In their examination of organizational culture and its effect on the performance of microfinance institutions in Kenya, Odhiambo, Kibera, and Musyoka (2015) found that marketing product capability had a greater impact on performance compared to other capabilities.

Organizations that have a solid foundation in terms of culture where the practices, coordination and held convictions are upheld will most likely lead to high performance (Idris, et al., 2015). Any person can easily imitate the strategies, maneuvers, and policies of an organization, but no one can duplicate the culture set within an organization. The culture is motivated and passed down from the leaders within an organization to new staffs entering the firm. As such culture plays a key role in how people behave, and conduct themselves, what they say, see and give which drives the performance of a firm (Talab, et al., 2018). Culture has been strongly linked to effective lifestyles at the workplace and yield high performance turnovers. Given these factors, it is crucial to explore whether the company's performance is connected to the various organization-wide culture change programs it consistently implements. Despite the diverse contexts, concepts, demographics, and objectives of the studies mentioned above, none specifically addressed the relationship between organizational culture and performance in quasi-public institutions within Kenya's pension industry. The research aimed to determine how organizational culture influences performance at LAPTRUST.

1.3 Objectives of the Study

The study aimed to examine the organizational culture and performance of quasi-public institutions within the pension industry in Kenya with a focus on Local Authorities Pension Trust.

2.0 Literature Review

2.1 Theoretical Review

2.1.1 Schein's Organizational Culture Theory

Typically an unconscious process, organizational culture develops as a result of group interactions, according to the theory (Schein, 1992). According to Reiman and Oedewald (2002), organizational culture serves as an example of how an organization responds to or manages the expectations placed on it by its primary tasks. Since culture is something that changes and grows with time, it cannot be adequately imposed on a framework. Attempts to impose a specific kind of culture may actually have unfavorable outcomes (Kunda, 1992). Instead of an occurrence that can be found, acknowledged or discovered, culture is basically an innovation of a community. This innovation includes three associated sections, the ideological –the ideas, beliefs, values and meanings of what is right or incorrect, attractive or undesirable. Technical consideration takes into consideration the capacities, expressions, specialties, relics and processes used by authoritative people to create goods and enterprises (Makwana, 2011). This theory is relevant in examining LAPTRUST as an organization and its value system, hidden presumptions and processes which are incorporated into the organizational culture and how these aspects affect the overall organizational success.

2.1.2 Institutional Theory

The theory was suggested by DiMaggio and Powell (1983) and Meyer and Scott. The theory's framework covers the social aspect of an organization and states that all organizations are made up of institutions which comprises of the laws, conditions for operations, processes, culture and structure. It also considers that the institution is based on the systems, laws, standards and routines that will establish the social behavior. These behaviors once nurtured lead to effective strategy implementation. Organizations are essential to understanding how society works since they are ingrained in the social order and control how social life is lived. The theory assumes that organizations are not for everyone, but are situated within specific social settings (Peters, 2019). In this context, the theory covers organization culture as part of the sub-system incorporated in the institution and helps in improving the performance of the entire organization.

2.1.3 Balance Score card Theory

This strategic performance management tool was introduced and formulated as a comprehensive approach to business management, culminating in 1992 by the efforts of Robert Kaplan and David Norton. Quantifying the elements that contribute to an organization's value generation and directly affect its capacity to thrive is the main goal of the balanced scorecard theory. A balanced scorecard was born out of the realization that success has to be measured in more ways than just financial statistics. Strictly emphasizing financial performance does not provide a business with the facts it needs to succeed in the market today. Financial results offer you a sense of how well you did in the past, but they don't tell you how you're doing now or where you'll be in the future. The balanced scorecard also provides a structure and vocabulary for describing your strategy in a reliable and consistent way. Where is the organization going? are some questions that the theory seeks to address. What plan do you have? and what must be done effectively to realize our strategy? The theory is pertinent to the research since it permits businesses to implement their vision and plan. It provides input on both internal business operations and external effects, enabling the company to gradually improve its performance and outcomes.

2.2 Empirical Review

Nurturing personal relationships as well as internal dynamics is the focus of clan culture (Cameron & Quinn, 2011). Concerns about employee fidelity, dedication, and cohesiveness serve as a reflection of its value. The clan culture type gets its name from how similar its organizational structure is to a family. Clan-type businesses stand out for their emphasis on collaboration, employee engagement initiatives, and corporate commitment to workers (Cameron & Quinn, 2006). Social characteristics of clan culture include credibility, unity, commitment, morale, norms, cooperation, involvement, consensus, and personal growth (Cameron, 2004; Cameron & Quinn, 2006; Tseng, 2010). Because of this, members of this culture frequently prioritize their company's open door policy and shared ideals. Goals are achieved when there is a supportive workplace environment and a high appreciation for employees. Organizations are built by leaders who foster relationships of trust and develop and empower their workforce. Customers are best viewed as stakeholders because unified behavior promotes a strong company image in the marketplace.

Felipe, Roldán, and Leal-Rodríguez (2017) investigated the impact of organizational agility on 172 Spanish-based companies' culture values. Clan-type culture was found to have a favorable correlation with business performance. Looking at 2017, Aketch, Basheka, and Bagire conducted research on how SMEs perform in Uganda: a case study of the hotel industry. The study aimed to



investigate how organizational culture influences productivity, specifically focusing on enterprises which are small and medium-sized located in Uganda. In the eastern region of Uganda, information was gathered from 112 hotels. Unlike the bulk of other studies, participants in this one included both managers and employees. It used the engagement, consistency, flexibility, and mission cultural factors from Denison and Mishra (1995) for this study. It was found that the participation attribute of clan culture, rather than the mission trait of market culture, significantly predicts the performance of SMEs when considering cultural aspects that impact organizational performance. These traits proved to be in contrast to flexibility (adhocracy culture) and consistency (hierarchy culture).

To start off, a study by Yesil and Kaya (2013) explored the adhocracy culture and how it influences the financial success of Turkey enterprises. Its findings were analyzed using a regression analysis and a descriptive research approach. The findings reveal, unlike clan cultures and hierarchical structures, an adhocratic culture enhances knowledge transformation and increases organizational effectiveness. Nevertheless, the research goes beyond financial indicators of business performance. The non-financial metrics employed in the current study were affordability, specialized care, resource allocation, and high-quality service. The results of the current research cannot be generalized since other operationalizations of the variables could produce different outcomes. Organizational innovation attempts at capturing new ideas and ways of working so as improve the organizational performance. Shouyu (2017) reviewed literature on how innovation relates to firm performance. The research highlighted that, broadly speaking, innovation is considered a key factor influencing a firm's performance. For many organizations aiming to boost profitability margins, expand market share, and enhance operational effectiveness and efficiency, it offers a valuable solution. Innovation is recognized for its crucial role in driving positive performance outcomes. This is achieved through its direct connection with performance, serving as a catalyst for performance improvement, or acting as a mediator by altering the market position of specific products, enhancing product alignment, investing in ICT, and adapting to industry shifts.

At East African Breweries Ltd (EABL), Thuku, Abiero, and Juma (2013) examined how market culture affects employee productivity. Consequently, the purpose of this research was to examine the implications on employee performance by organizational culture, hierarchical culture, and clan culture. A questionnaire was administered to EABL personnel as part of the case study research design, who were the focus of this project. The results were evaluated and interpreted utilizing both quantitative and qualitative methods. Employee effectiveness was found to be connected with organizational culture, as revealed by the results. The primary factor affecting employee productivity is market culture because the company only exists to conduct business and generate revenue. However, since the study was focused on a single organization, the findings' breadth was limited.

A study focused on faculty members at Dhofar University, examining how market culture impacts employee work performance, according to Sanyal and Hisam (2018). It is obvious that both employers and employees ignore the importance of market culture as a key tool in workplaces, leading to poor performance and poor productivity in their jobs. Various aspects of teamwork were explored, such as trust, leadership, organization, performance evaluation, and rewards. The independent variables—teamwork, trust environment, leadership and structure, performance assessment, and rewards—are strongly and substantially related to the performance of faculty members at Dhofar University in the Sultanate of Oman, according to the findings. As a fact, firms



that enhance the element of teamwork amongst its employees can enhance their productivity, creativity, innovation and earn themselves a competitive advantage and ultimately employee performance and organizational performance.

To gain a competitive edge in a highly competitive business environment, many organizations' management teams have explored high-performance work systems. These sentiments were shared by Ozcelik, Aybas and Uyargil (2016) in the study on Hierarchy Culture and organizational values: resource-based view considerations. Furthermore, when considering quality of the human resources, it was imperative to consider their capabilities and abilities right from the recruitment stage. To ensure employees become productive assets within the organization, management must effectively attract, select, train, motivate, and retain them. The employees must be able to adapt to the organizational culture, its value system to increase the performance. When employees exhibit higher quality, the resulting output improves, staff adaptability to environmental changes increases, decision-making becomes more effective, and employee commitment strengthens, leading to better relationships with stakeholders. The firms specific and quality resources easily leverage on the organizational performance. Evidence from Indian manufacturing companies was used by Parvadavardini Vivek and Devadasan (2016) to explore the impact of Hierarchy Culture on both quality and financial performance. The connection between financial performance and the quality of organizational performance is encompassed by quality considerations. A total of 152 manufacturing companies in India comprised the focus of research and a questionnaire was used to collate data. In manufacturing firms, both performance quality and financial performance were positively correlated with quality consideration practices and their management, as revealed by the study's findings.

3.0 Research Methodology

To evaluate how organizational culture found in the institution influences performance outcomes, the study employed descriptive survey research. Given the aim to clarify existing conditions related to organizational culture and performance, a descriptive survey design was deemed suitable for the current analysis. The population comprised 224 employees at Local Authorities Pension Trust . The decision to select this population was guided by the fact that the Branch Network across the country handles the majority of the institution's operations. However, main policies and procedures were derived or developed at the head office situated in Nairobi. A stratified random sample was utilized for selecting a 30% sample from the 224 individuals in the population mentioned above. For purpose of this study, systematic sampling was used for staff where every Kth unit in a list is selected for inclusion in the sample. This method is recommended by Babbie (2010) who states that, within certain constraints, systematic sampling is a final equivalent of simple random sampling and usually easier to do. For more accurate position, the population was stratified into homogenous subset. For staff a stratified, systematic sample with a random start was selected from the staff list. For analysis, 30% is deemed sufficient as a sample, with Mugenda (2003) suggesting that a representation between 10% and 30% is appropriate for a population under 10,000. A sample of 67 respondents, accounting for 30% of the population, was used in the study.

The researcher administered semi structured questionnaire in both hard copy and electronically to all respondents of the study. This was to minimize contact with respondents in line with the government directives on Covid 19 protocols. The combination of these two methods was also very efficient as respondents can respond over their laptops, mobile phones, iPad or desktops from

the comfort of their homes. The researcher kept a registry of all questionnaires delivered and received to ensure that all questionnaires given to respondents are collected. The drop-and-pick-up-later method and the drop-and-wait approach were used to administer the hardcopy questionnaire. Semi-structured questionnaires were employed in the study as the data gathering tools. Secondary data was collected from existing published material, reputable websites, magazines among other tools. This was helpful for obtaining more information for the study from the reports or data that have already been documented. Evaluating historical or current private or public records, reports, government papers, and opinions is a practical quantitative technique using secondary data, as highlighted by Cooper and Schindler (2003). The research instrument underwent tests to determine its validity and reliability in order to successfully achieve the study's objectives. Tests for validity and reliability helped to ensure that research instruments are reliable and consistently measure the variables they are intended to evaluate (Mugenda, 2003).

Essential information for research is assembled by locating individuals, as Kothari (2011) suggests data collection involves. The systematic gathering, selection, and computation of information, essential for achieving research objectives, is what Bulmberg, Cooper, and Schindler (2011) describe as data collection, which varies according to the study's design and employs multiple methods. The data gathering procedure involved a variety of employee categories, including top management, middle management, supervisors, and normal employees. Drop-and-pick is the method that the study used to share out the data collection instrument, allowing employees ample time to be able to complete filling the questionnaire while considering their convenience and accommodating their busy schedules to enhance response rates (Mugenda, 2003). In order to maximize the number of successful responses, the respondents had two weeks to complete the surveys.

Scrutiny and refinement of the collected information ensured its consistency, accuracy, and completeness. Data was coded, tabulated, and analyzed using version 25 of the Statistical Software for Social Sciences. The goals of the research served as the basis for analysis. Means, percentages, standard deviations, and frequencies were employed in the presentation. Achieving this involved using SPSS to tally responses, calculate response variation percentages, and analyze and interpret the findings. To facilitate analysis, the information was presented using tables, graphs, bar charts, and pie charts. In some instances, graphical presentations and tables were used to further illustrate the data collected. In the ant research it is essential to consider ethics which entails the measures made to ensure that the study respects the rights of people and their privacy, according to Kothari (2011). Participants' right to freely participated in the study without undue compulsion was respected. The adoption of other people's material was recognized, and originality pledges was upheld. The results are intended solely for educational purposes, and secrecy was also maintained. The NACOSTI issued research permission. Additionally, the researcher asked administrative divisions and Kenyatta University for permission.



4.0 Research Findings and Discussions

4.1 Descriptive Statistics Results

4.1.1 Clan Culture

Table 1: Clan Culture

| Statements | M | SD |
|--|-------------|--------------|
| In LAPTRUST, there is mutual accountability among different work groups | 4.55 | 0.448 |
| There is clear communication channels within LAPTRUST. | 4.51 | 0.487 |
| There is strong emphasis on collaboration among staff teams at LAPTRUST | 3.78 | 1.219 |
| Consistent internal communication, staff engagement, and mutual accountability have positively impacted performance of LAPTRUST over the last 10 years | 4.57 | 0.428 |
| Aggregate mean and standard deviation | 4.35 | 0.646 |

Source: Survey Data (2024)

The aggregate mean and standard deviation was 4.35 and 0.646 respectively which implies that the respondents agreed that clan culture within the organisation positively affected performance of LAPTRUST, as shown in table 1. Regarding mutual accountability among different work groups at LAPTRUST, a consensus is indicated by a mean score of 3.78 and a standard deviation of 1.219. The findings concur with Mwaura (2017) research which investigated how clan culture influences how competitive strategies are carried out in Kenya's construction sector. The results showed that clan culture had an impact on behavior and enhanced the coherence of the social and control systems. The results show that applying this method requires a large amount of clan culture within a company.

The statements indicating that consistent internal communication, staff engagement, and mutual accountability have positively influenced performance at LAPTRUST over the past 10 years received strong agreement from the respondents. From the findings, LAPTRUST promotes teamwork among its members through consistent internal communication and staff engagement. Mean scores of 4.57, 4.55, and 4.51, along with standard deviations of 0.428, 0.448, and 0.487, respectively, reflect this. The finding agrees with Njagi, Kamau, and Muraguri (2020) research which examined how clan culture affected how Kenyan skilled groups carried out their strategies. The results of the study showed that clan culture had a major and favorable influence on the implementation of a strategic plan.

4.1.2 Adhocracy Culture

Table 2: Adhocracy Culture

| Statements | M | SD |
|---|------|-------|
| LAPTRUST is intentional in embedding innovation and creativity in its processes | 4.23 | 0.940 |
| LAPTRUST has invested in product innovation to enhance performance of the institution | 4.55 | 0.449 |
| Marketing at LAPTRUST is innovative and creative | 4.60 | 0.400 |
| Innovation in processes, product design and marketing | 3.66 | 1.338 |



| Statements | M | SD |
|---|-------------|--------------|
| have positively impacted performance at LAPTRUST in the last 10 years | | |
| Aggregate mean and standard deviation | 4.26 | 0.782 |

Source: Survey Data (2024)

The aggregate mean and standard deviation was 4.26 and 0.782 respectively which implies that the respondents agreed that adhocracy culture affected performance of LAPTRUST as shown in table 2. The finding agrees with Yesil and Kaya (2013) research which examined how the adhocracy culture impacts the financial success of Turkish enterprises. The results demonstrate that, in contrast to clan cultures and hierarchies, an adhocratic culture promotes knowledge transformation and boosts organizational effectiveness. Strong agreement from the respondents on the statements that marketing at LAPTRUST is innovative and creative, and that LAPTRUST has invested in product innovation to improve institutional performance, is demonstrated by mean scores of 4.60 and 4.55, respectively, with standard deviations of 0.400 and 0.449, respectively. The finding agrees with İşmanolu and Akçali (2016) research on how the adhocracy culture affected the financial health of various information and technology enterprises in Turkey. The study revealed that innovation is revered as a prime element whenever an organization is seeking to enhance its productivity or performance and gain competitive advantage.

Agreement from the respondents on the statements that LAPTRUST is deliberate in integrating innovation and creativity into its processes, and that innovations in processes, product design, and marketing have positively affected performance at LAPTRUST over the past 10 years, is indicated by mean scores of 4.23 and 3.66, respectively, with standard deviations of 0.940 and 1.338, respectively. Kamakia's (2014) study, which explored the effect of product adhocracy culture on the performance of commercial banks in Kenya, supports this finding. The research has discovered that the amount of innovation provided by commercial banks has improved and their reputation at the market distinguishes the bank from the other competitive banks.

4.1.3 Market Culture

Table 3: Market Culture

| Statements | M | SD |
|--|-------------|--------------|
| LAPTRUST designs service channels that are accessible to its customers | 4.66 | 0.339 |
| LAPTRUST is highly adaptable to market demands | 4.57 | 0.528 |
| LAPTRUST staff are highly focused on enhancing customer experience | 3.67 | 1.328 |
| Ease of service accessibility, market adaptability and customer experience have positively impacted performance at LAPTRUST over the last 10 years | 4.09 | 0.909 |
| Aggregate mean and standard deviation | 4.25 | 0.776 |

Source: Survey Data (2024)

The aggregate mean and standard deviation was 4.22 and 0.776 respectively which implies that the respondents agreed that customer orientation a subset of market culture, affected performance of LAPTRUST as shown in table 3. The finding agrees with Eisend, Evanschitzky, and Gilliland (2016) who conducted a meta-analysis of Market Culture's overall effects on the efficacy of new



products. The research revealed that the hierarchical organization had the lowest new product production while the market culture organization had the greatest.

Strong agreement from the respondents on the statements that LAPTRUST designs service channels accessible to its customers and is highly adaptable to market demands is demonstrated by mean scores of 4.66 and 4.57, along with standard deviations of 0.339 and 0.528, correspondingly. The research by Thuku, Abiero, and Juma (2013), which investigated the connection between employees' market culture and productivity at East African Breweries Ltd (EABL), supports this finding. Its results showed a relationship between company culture and worker effectiveness. The primary factor affecting employee productivity is market culture because the company only exists to conduct business and generate revenue.

Agreement from the respondents on the statements that ease of service accessibility, market adaptability, and customer experience have positively influenced performance at LAPTRUST over the past 10 years, as well as the focus of LAPTRUST staff on enhancing customer experience, is reflected in mean scores of 4.09 and 3.67, along with standard deviations of 0.909 and 1.328. Its finding agrees with Mwashighadi and Kising'u's (2017) research which focused on the effect of market culture on organizational effectiveness for industrial banks in Voi Sub County. The study discovered that the bank had embraced a market culture, emphasizing targets, orders, rational production, and relationships with suppliers, customers, subcontractors, and rivals and this was beneficial for the bank.

4.1.4 Hierarchy Culture

Table 4: Hierarchy Culture

| Statements | M | SD |
|---|-------------|--------------|
| There is a clear chain of command at LAPTRUST | 4.49 | 0.509 |
| I have a clear job description indicating clear reporting lines. | 3.58 | 1.418 |
| Quality management in LAPTRUST is through the ISO Procedure which is a top-down approach. | 4.32 | 0.678 |
| The chain of command is critical in achieving the organisation objectives. | 4.28 | 0.719 |
| Aggregate mean and standard deviation | 4.17 | 0.831 |

Source: Survey Data (2024)

The aggregate mean and standard deviation were 4.17 and 0.831 respectively which implies that the respondents agreed that hierarchy culture affected performance of LAPTRUST as shown in table 4. The effect of Hierarchy Culture on organizational performance, through the lens of quality management in products and services across organizations of different sizes, is supported by Ali's (2014) study. Those automotive industry players that had adopted quality management gained by having reduction in their operational costs, enhanced relationship within the organization and externally with other sector players and heightened self-control quality which led to high quality products that meant that more Pakistani public masses would seek automotive products and services which led to high business turnover and profit margins.

Results show that the statements that received agreement from the respondents; LAPTRUST being a quasi-public institution is a hierarchical in culture and this has positively impacted performance at LAPTRUST over the years. The responses suggest that LAPTRUST has



prioritized investments in quality management, a clear chain of command, and well-defined job descriptions to improve institutional performance. The observation is supported by the mean scores of 4.49, 4.32, 4.28, and 3.58, accompanied by standard deviations of 0.509, 0.670, and 1.418, which collectively reflect the variation and central tendency of the data. The finding concurs with Parvadavardini Vivek and Devadasan (2016) study on the impact of Hierarchy Culture on quality performance and financial performance: evidence from Indian manufacturing companies. The study findings revealed a positive relationship between quality consideration practices and its management and the quality of performance and financial performance of the manufacturing firms.

These findings also agree with Maletic, Maletic and Gomiscek (2018) research observation that quality orientation is a crucial aspect of organizational culture that directly impacts performance and when an organization prioritizes quality in all aspects of its operations, it sets a standard of excellence that drives employees to strive for continuous improvement and innovation.

4.1.5 Performance of LAPTRUST

Table 5: Corporate Performance Evaluation Tools

| Tools | Frequencies | Percentages |
|-------------------------------|--------------------|--------------------|
| Corporate Balance Score Card | 14 | 22.9 |
| Audited Accounts | 10 | 16.4 |
| Regular Reports | 18 | 29.5 |
| Strategic Plan Review Reports | 19 | 31.1 |
| Total | 61 | 100 |

Source: Survey Data (2024)

As shown from the results from the analysis of responses, Table 5 reveals that the a major proportions of the people that responded, representing 31.1%, identified strategic plan review reports as the tool used for evaluating LAPTRUST's performance. Additionally, 29.5% of respondents reported utilizing regular reports for this assessment. This was followed by 22.9% corporate balance score card and 16.4% indicated audited accounts. The finding is in line with Prajogo and McDermott (2021) research which found that performance assessment tools play a crucial role in influencing the connection between organizational culture and performance because the tools provide a systematic and objective way to evaluate and measure employee and organizational performance. It was evidenced in these responses that performance measurement is embedded in LAPTRUST reporting initiatives.

Figure 1 illustrates the findings, which show the tools selected by respondents from a provided list, indicating the one most commonly used for evaluating staff performance.

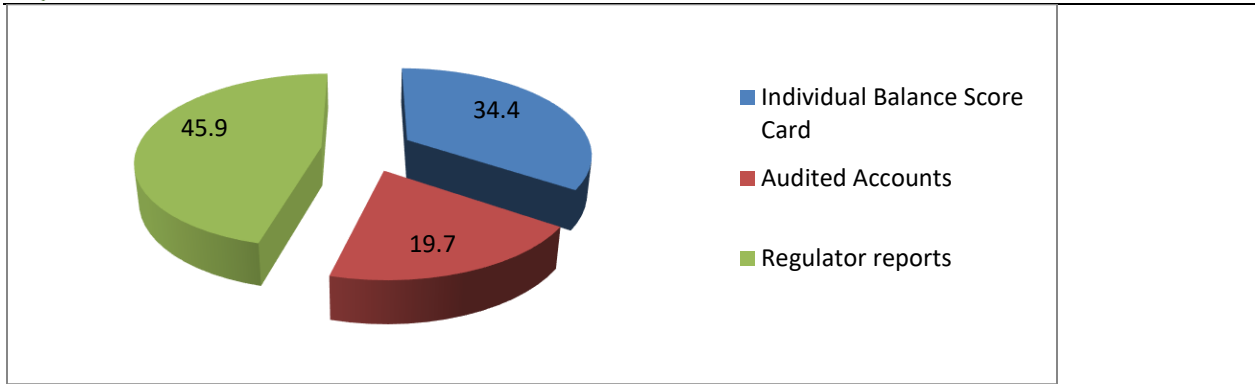


Figure 1: Staff Performance Evaluation Tools

Source: Survey Data (2024)

According to Figure 4.3, regular reports were identified as the most commonly used tool by the organization, with 45.9% of respondents indicating their use. Following this, 34.4% of respondents reported using individual balanced scorecards, while 19.7% utilized audited accounts. The finding agree with Sokro, E. (2022) research which observe that staff performance assessment tools help in identifying underperforming employees and areas of improvement within the organization. By highlighting areas where performance falls short, these tools enable organizations to address performance gaps and implement necessary interventions.

4.2 Multiple Regression Analysis Results

Table 6: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .912 | .832 | .815 | 1.0014 |

Source: Survey Data (2024)

The variation in LAPTRUST's performance, influenced by clan culture, adhocracy culture, market culture, and hierarchy culture, was found to be 81.5%. This is evidenced by an adjusted R square value of 0.815, as shown in Table 6. This also means that the other organizational culture variables not studied account for the remaining 18.5%.

Table 7: Analysis of Variance

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|------|
| 1 | Regression | 102.0514 | 4 | 25.513 | 35.717 | .001 |
| | Residual | 40.001 | 56 | 0.7143 | | |
| | Total | 14.0524 | 60 | | | |

Source: Survey Data (2024)

Table 7 presents an F value of 35.717, which surpasses the mean statistical value of 25.513, indicating a significant variation. Additionally, the significance value recorded was 0.001, which



is notably lower than the conventional threshold of 0.05. These findings collectively affirm that the model holds statistical significance and is robust in its explanatory power.

Table 8: Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .715 | .315 | | 2.269 | .001 |
| | Clan culture | .821 | .110 | .0542 | 7.464 | .000 |
| | Adhocracy culture | .716 | .415 | .0485 | 1.725 | .001 |
| | Market culture | .775 | .119 | .1085 | 6.513 | .003 |
| | Hierarchy culture | .790 | .309 | .2674 | 2.557 | .002 |

Source: Survey Data (2024)

Table 8 reveals that, with clan culture, adhocracy culture, market culture, and hierarchy culture held constant, LAPTRUST's performance would be 0.715. This result suggests that enhancing each of these cultural dimensions—clan culture, adhocracy culture, market culture, and hierarchy culture—could lead to improvements in LAPTRUST's performance by 0.821, 0.716, 0.775, and 0.790, respectively. Consequently, regression equation presentation is as below shown;

Organizational performance = 0.715 + 0.821 (clan culture) + 0.716 (adhocracy culture) + 0.775 (market culture) + 0.790 (hierarchy culture). The research findings highlighted a substantial positive influence of clan culture on the performance of LAPTRUST. This conclusion is supported by a coefficient of $\beta=0.0542$ and a p-value of 0.000, indicating a statistically significant relationship between clan culture and organizational performance. This result is consistent with the study by Njagi, Kamau, and Muraguri (2020), which examined how clan culture influences the strategic performance of skilled teams in Kenya. Their results corroborated the study's conclusions, revealing that clan culture plays a substantial and beneficial role in enhancing the implementation of strategies.

A significant positive impact of adhocracy culture on LAPTRUST's performance was observed, evidenced by a β value of 0.0485 and a p-value of 0.001. Product adhocracy culture was discovered to affect Kenyan commercial banks performance, as explored in Kamakia's (2014) study, which aligns with this finding. Kamakia's findings revealed that banks with higher levels of innovation saw improvements in their market reputation, distinguishing them from their competitors. A positive and significant impact of market culture on LAPTRUST's performance was identified, with a β value of 0.1085 and a p-value of 0.003. This result is consistent with the research conducted by Mwashighadi and Kising'u (2017), which examined how market culture affects organizational effectiveness within industrial banks in Voi Sub County. Their study found that the bank effectively adopted a market culture, focusing on targets, order fulfillment, rational production, and fostering relationships with suppliers, customers, subcontractors, and competitors. Hierarchy culture was found to have a significant and positive effect on LAPTRUST's performance, with a β value of 0.2674 and a p-value of 0.002. This aligns with the research conducted by Parvadavardini Vivek and Devadasan (2016), which investigated the impact of hierarchy culture on both quality and financial performance in Indian manufacturing companies.



Their findings demonstrated a positive correlation between the management of quality practices and the resultant firm performance and quality overall.

5.0 Conclusions and Recommendations

5.1 Conclusions

In a clan culture, the study concludes that employees are actively encouraged to engage in decision-making processes, contribute their ideas, and play a role in the overall success of the organization. This involvement and sense of ownership cultivate a higher level of motivation and commitment among employees, resulting in enhanced performance. By fostering open communication and nurturing strong relationships, clan culture facilitates the exchange of knowledge, ideas, and best practices. Such an environment, where employees feel connected and comfortable with their colleagues, promotes collaboration, the seeking of feedback, and collective efforts toward shared goals, thereby improving the organization's performance.

Adhocracy culture, as an organizational framework, is characterized by its focus on flexibility, innovation, and adaptability is another conclusion. Emphasizing a decentralized decision-making process and a flat organizational structure, it encourages creativity and experimentation among employees. In this type of culture, taking risks and challenging the status quo are promoted, leading to increased collaboration and cross-functional teamwork. Employees are motivated to share ideas and collaborate on projects, which enhances knowledge sharing, learning, and problem-solving capabilities within the organization.

Market culture, by aligning organizational practices with external market dynamics, such as customer preferences, industry trends, and competitive forces, ensures responsiveness to market changes and adaptability in strategies and operations is an additional conclusion. This type of culture emphasizes performance, achievement, and result-oriented behaviors, fostering a sense of urgency, accountability, and a drive for excellence within the organization. By placing customers at the core of its activities and decision-making processes, market culture underscores the importance of understanding customer needs, delivering superior value, and building lasting relationships. The study concludes that in a hierarchical culture, there is a clear chain of command and authority, with decision-making power concentrated at the top levels of the organization. This can lead to a more rigid and centralized organizational culture, where employees may feel less empowered to take initiative or make decisions on their own. A hierarchical culture can impact communication within the organization. Information may flow more slowly and less freely in a hierarchical culture, as decisions and directives are passed down through the chain of command. This can lead to misunderstandings, delays, and inefficiencies in the organization. However, if well balanced with other cultures, hierarchal culture has the potential to bring with it unified direction, consistency, stability, order and longevity of an organisation which is necessary for sustained good performance over time.

5.2 Recommendations

To improve communication, trust, and cooperation within the organization, the study recommends fostering a sense of belonging and camaraderie among employees. Encouraging open communication and collaboration can be achieved by implementing regular team meetings, brainstorming sessions, and cross-functional projects. To break down silos and promote innovation, organizations should encourage cross-functional teams and collaboration across departments as a recommendation from this study. Implementing flexible work arrangements and



encouraging autonomy will empower employees to take initiative. The organization should invest in training programs that enhance employees' market knowledge and skills to contribute to a market culture, as recommended by the study. This can include workshops on market analysis, customer relationship management, or sales techniques. Continuous learning opportunities and professional development initiatives also help employees stay updated with market trends and best practices. The organization should clearly define and communicate the roles and responsibilities of each level within the hierarchy, ensuring that employees understand their position and how it fits into the overall organizational structure, as recommended by the study. Providing training and development programs to help employees understand and navigate the hierarchy, equipping them with the skills and knowledge needed to succeed within their roles is essential.

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