The effect of organizational culture on business performance of financial institutions.

Case Study: Opportunity Bank Uganda Limited

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DEDICATION

I dedicate this work to the Almighty God who has been gracious, caring and merciful to me throughout this journey, sustaining and providing before and during this study, hopefully even after. It is also dedicated to my family, Jemimah Tendo, Joanna Kuteesa, Josiah Mwesigwa, mother Ruth. N. K and Mr. Eric Magala. K for all the understanding, support, love and encouragement which has enabled me to accomplish, may God bless you abundantly.

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I would like to express my thanks and gratitude to the various people who contributed to the completion of this work.

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Finally, I take this opportunity to sincerely thank the administration and the academic staff of Uganda Martyrs University from whom I learnt decent and developmental values of life. To the academic staff, I am greatly privileged to have sat under your training, I appreciate the imparted knowledge which opened my perception and approach to business and real life matters. I am glad I came to UMU.

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ABSTRACT

The study was undertaken to examine the effect of organizational culture on business performance in financial institutions. Organizational culture (i.e. organizational adaptability, employee involvement in decision making and consistency) was the independent variable while business performance (which includes profitability, customer satisfaction and return on equity) was the dependent variable. The specific objectives of the study were to examine the effect of organizational adaptability on business performance, employee involvement in decision making on business performance, and the organization's consistency on business performance of financial institutions. The study employed the generic theory of organizational culture by Maurice Yolles (2010) which says that it connects the recognized properties and processes of organizational theory, provides for distinctions between internal and external environment of an organization. This was true in the study. The study used a case study design adopting both quantitative and qualitative approaches on a sample of 9 branches in Opportunity Bank Uganda Limited of which data was collected using a questionnaire and interview guide. The study found out that organizational adaptability had a positive and significant correlation with business performance of ($r = 0.604$, $p \leq 0.01$). Employee involvement in decision making had a positive and significant correlation with business performance of ($r = 0.699$, $p \leq 0.01$) while organizational consistency had a positive correlation with business performance of ($r = 0.520$, $p \leq 0.01$). The study concluded that organizational culture has a significant relationship with business performance in financial institutions. This study recommended that organizational culture traits need to be enhanced and emphasized at all times so as to realize continuously increasing business performance in financial institutions.

CHAPTER ONE

1.0 Introduction

Business performance of a company is realized by using the both indicators of profitability and return. The first category of indicators has the role of determining the operation process while the second category follows the way in which the capital invested is remunerated, (Duran et al., 2005).

Management would like to introduce employee with norm, values and objectives of the organization which is important to understand the organizational culture. It is the responsibility of the management to introduce the organizational culture to its employees that will assist the employees to get familiar with the system of organization. Management must try to always keep learning environment in the organization. Organizational culture has a deep impact on the performance of employees that can cause them to improve in the productivity and enhance the organizational performance, (Fakhar, 2012).

The complete knowledge and awareness of organizational culture should help to improve the ability to examine the behavior of organization which assists to manage and lead, (Brooks, 2006).

It is necessary for the management to identify the specific norms and values of the organization and pass them on the organization members to improve business performance and develop the quality in terms of profitability, customer satisfaction and return on equity, (Fakhar, 2012).

This chapter therefore presents the background, problem statement, purpose, objectives, research questions, hypothesis, scope, significance, justification, conceptual framework and operational definitions of the study regarding the effect of organizational culture on business performance of financial institutions with evidence from Opportunity Bank Uganda Limited.

1.1 Background to the Study

Significant debates emerged during the 1980's and 1990's, as organizational culture became a management fad (Abrahamson, 1996). Academic debates focused on whether culture should be viewed as a unitary or distributed construct, how explicit culture is with some viewing culture as mostly tacit and implicit (Martin, 1992; Schein, 1985) and others focusing on its observable behavioral manifestations (Carroll and Harrison, 1998), and how it should be assessed and studied (Armstrong and Foley, 2003).

Organizational culture as a concept took shape in the 1980's (Kennedy, 1982) but its roots can be traced back in early human relations view of organizations that originated in 1940's.

The human relations perspective drew its inspiration from even earlier anthropological and social original work in culture associated ages and societies (Weber, 1947-1958). The study of organizational culture raised its prominence following the Japanese miracle where academics tried to understand Japan's rapid economic recovery following World War II. Culture was pin printed as Japan's economic boom and the corresponding difficulties for USA and other western economics at that time.

Attention to organizational culture lost ground on the organizational science and social science in general, became increasingly quantitative. The renewed interest in the organizational culture that emerged in the 1970s suggested that deeper, more complex anthropological approach was necessary to understand crucial but largely invisible aspects of organizational life.

This renewed interest in organizational culture represents a return to the early organizational literature but it went far beyond this literature in contributing important new thoughts and ways of thinking about the role importance and characteristics of organizational culture. Also research on the effects of organizational culture on business performance and on investigation into how organizational cultures are created, maintained and changed has continued to receive great attention (Alvesson, 2012).

According to Fakhar, (2012), organizational management must try to always keep learning environment in the organizations. Proper understanding of organizational culture is believed to contribute to improvement of Business performance. As per organizational development is concerned, business performance is considered as a back bone for the industry through which organizations secure the royalty of their employees.

Sorensen (2002), argues that the relationship between culture and an organization's business performance is not so straightforward and may be contingent on exogenous conditions. For example, he suggested that strong-culture firms gain advantages in stable environments but, because of the corresponding social control that promotes conformity among members, their performance may be worse or less reliable in dynamic environments and during periods of external change. Since many organizations operate in dynamic environments, this view suggests that having a strong culture in these circumstances may reduce a firm's financial performance.

Given the stark contrast between these two views and the equivocal support that has emerged, many have concluded that the link between organizational culture and business performance lacks a comprehensive and compelling theory (Hartnell et al., 2011).

A number of scholars have developed integrative frame work on organizational culture (Schein, 1980; 1990) but little conscious exist with regard to a general theory. This study will be guided by the culture framework developed by the Denison and his colleagues (Denison, 1990).This stream of research has developed on exploits' model of organizational culture using data from 764 US companies which showed that the form different cultural traits, mission, consistency, adaptability and involvement were related to different criteria of effectiveness.

Their research found that the front of mission and consistency were the best predicator of profitability, the traits of involvement and adaptability were best predicator of innovation, and the traits adaptability and mission was the best predictor of business growth. The researcher tends to consider the predicted as the dependent variable which highlights organizational performance. This study therefore investigated how organizational involvement, adaptability, and consistency influenced business performance.

The generic theory of organizational culture

The generic theory of organizational culture connects recognized properties and processes of organizational theory, provides for distinctions between internal environment (organizational culture, strategy, structure and operations), and external environment (legitimization environment and task environment) of an organization. The generic theory of organizational culture allows for diagnostic analysis in order to map and create typologies depending on context, (Maurice, 2010).

The theory focuses on redefining existing concepts of organizational or corporate culture in a way that a new concept of organizational culture fits the classes of organization theory. Theory has capacity to provide pragmatic meaning in case of studies and may contribute to identification of dysfunctions in organizations. The theories of organizational culture visited and linked to organizational theory are generally classified into two categories; that is, the dimensions approach, (Schwartz, 2007) and interrelated structure approach (Pflesser, 2000).

The dimensions approach is one of the most prominent approaches to cultural constructs in particular for quantitative research. Schwartz, (2007) emphasize that organizational culture dimensions considerably differ from national culture dimensions; nevertheless, they are related to each other. The interrelated structure approach of organizational culture is characterized by bidirectional links indicating interdependence, that is, both approaches are well rounded and recognized in their respective fields however, they are rooted in organizational theory.

The Denison theory or framework

Denison's organizational culture theory is based on four cultural traits involvement, consistency, adaptability, and mission that have been noted to have an influence on organizational performance (Denison and Mishra, 1995). Denison's theory states that each of the four major cultural traits promotes superior firm performance. Since performance management also results in superior performance.

Adaptability Trait; Adaptability is the ability of the company to scan the external environment and respond to the ever-changing needs of its customers and other stakeholders. Organizations hold a system of norms and beliefs that support the organization’s capacity to receive, interpret and translate signals from its environment into internal behavior changes that increase its chances for survival and growth Denison, (1990).

Involvement Trait; Involvement is the degree to which individuals at all levels of the organization are engaged in pursuit of the mission and work in a collaborative manner to fulfill organizational objectives. This trait consists of building human capability, ownership and responsibility. Organizations empower their people, build their organizations around teams, and develop human capability at all levels.
Consistency Trait; Consistency is the organization's core values and the internal systems that support problem solving, efficiency, and effectiveness at every level and across organizational boundaries. Organizations also tend to be effective because they have “strong” cultures that are highly consistent, well-coordinated, and well integrated. The fundamental concept is that implicit control systems, based upon internalized values, are a more effective means of achieving coordination than external control systems which rely on explicit rules and regulations. Behavior is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991). This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity (Senge, 1990).

The key concepts which were examined in the study are organizational culture and business performance. Ravasi and Schultz, (2006) stated that organizational culture is a set of shared mental assumption that guided the interpretation and action in the organization by defining appropriate behavior for various situations.

Hofstadter (2011) refers to organizational culture as various ideologies, beliefs and practices of an organization which makes it different from others. It is a pattern of basic assumptions learned by a group it solved its problems of external adoption and internal integration which has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

Robbins (2013) defines organizational culture as a system of shared meaning held by members of the society that distinguish one organization from one another.

The context of organizational culture in financial institutions mainly considers increase in the institutions' performance especially the financial aspect. It's basically how the contents of organizational culture which include involvement, consistency and adaptability influence business performance which impacts on customer satisfaction leading to profitability and return on equity.

1.2 Statement of the problem

The need to embrace a strong organizational culture in Opportunity Bank Uganda limited is evident and has been expressed at all levels within the Bank especially at senior management level. Having evolved, there could be a need for a strong consistent organizational culture to respond to the performance gap and business expectations at hand. It is assumed that this can be addressed if the Bank embraces the culture traits that are consistent, adaptable and involving. Effective organizations empower their people, build their organizations around teams, and develop human capability at all levels (Lawler, 1996), involve them in decisions making on pertinent organizational issues that affect their work. According to Nadler, (1998), adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change. In line with this, there is also a need to examine whether organizational culture traits could have been embraced at Opportunity Bank as a financial institution. Stakeholders especially the junior staff and customers, their input into decision making may not have been embraced by the organization and this could have affected the institution's level of profitability, customer satisfaction and return on equity (2013 management meeting minutes) and financial reports.

The researcher therefore, intended to examine effects of organizational culture on business performance, in Opportunity Bank.

1.3 Objectives of the Study

This section contained the major and specific objectives of the study as given below;

1.3.1 Major Objective

The purpose of the study was to analyze the effect of organizational culture on business performance in Opportunity Bank Uganda Limited.

1.3.2 Specific Objectives

The study was guided by the following specific objectives:-

1. To examine the effect of organizational adaptability on business performance of Opportunity Bank Uganda Limited

2. To assess the effect of employee involvement in decision making on business performance of Opportunity Bank Uganda Limited.

3. To evaluate the effect of the organization's consistence on business performance of Opportunity Bank Uganda Limited.

1.4 Research questions

1. How does the adaptability of the organization affect its business performance?

2. Does employee involvement in decision making affect business performance?

3. What is the effect of organization's consistency on business performance?

1.5 Scope of the study

1.5.1 Content Scope

The study looked at organizational culture as an independent variable and business performance as a dependent variable in Opportunity Bank Uganda Limited, a case of the central region. Organizational culture has been conceptualized to have adaptability, involvement and consistency while business performance has profitability, consumer satisfaction, and return on equity. It was assumed that for an institution to be able to realize business performance it should be a learning organization that can adapt to any changes in the environment by involving stakeholders in its undertakings with a consistent approach in its day to day running.

The core business performance indicators of Opportunity bank Uganda are profitability, customer satisfaction and return on equity that were used to measure business performance in the study.

1.5.2 Geographical Scope

The study was conducted in Opportunity Bank Uganda Limited a case of central region, that is, Kampala, Mukono and Wakiso districts. For Opportunity bank Uganda Limited's Kampala district included the following branches: Kawempe, City, Nateete, Kira road, and Owino branch, while Wakiso includes Nansana, Mukono, Kalagi, and Gayaza.

1.5.3 Time Scope

The study covered financial year 2010 to 2014. This is a crucial time when there has been a lot of changes and increase in business activities, innovations in service delivery, changes in management, regulation changes from the central Bank, creation of new positions and increased recruitment, increased advertisements / awareness creation, aggressive deposit mobilization among others.

1.6 Significance of the study

It is believed that the findings of this study would add to the existing body of knowledge and would help in decision making in relation to organizational culture and business performance.

It was meant to inform management of Opportunity bank Uganda Limited on the culture gaps and its impact on performance.

The study was meant to inform the design, implementation and evaluation of policies by central Bank, and guide government on how to motivate and direct investment in the banking sector.

1.7 Justification of the study

Despite the continuous emphasis on organizational culture and business performance in Opportunity Bank Uganda Limited, most studies that have been carried out were focused on customer satisfaction, profitability, social performance and employee satisfaction but there has been no study on organizational culture and its effects on business performance in Opportunity Bank Uganda Limited.

While other researchers have studied performance of business enterprises, most of these studies have dwelt more on its relationship with employee commitment, employee satisfaction, motivation to mention but a few. The results of this study therefore, were meant to add to the existing literature but this time specific on organizational culture and its effects on the performance of financial institutions a case of opportunity bank Uganda limited.

1.8 Definition of terms

Organizational culture is defined as the set of important assumptions (often unstated), which members of an organization share in common, which assumptions are majorly divided between beliefs and values. It is also defined as deeply seated norms, values and behaviors that members share. Beliefs are assumptions about reality and are derived and reinforced by experience. Values are assumptions about ideas that are desirable and worth striving for. When beliefs and values are shared in an organization, they create an organizational culture (Azhar, 2003).

Adaptability refers to an organization's ability to translate the demands of the organizational environment into action. They take risks, and learn from their mistakes, and have capability and experience at creating change (Katz & Kahn, 1978; Kotter, 1996; Senge, 1990). They are continuously improving the organization's ability to provide value for its customers by creating a system of norms and beliefs that support the organization's capacity to receive, interpret, and translate signals from its environment into internal systems that increase the organizations chances for survival and growth.

In adaptability, the organization is asking that ‘are we listening to the market place?’ High performing organizations have the ability to perceive and respond to the environment, customers, and restructure and re-institutionalize behaviors and processes that allow them to adapt. Adaptability includes being customer focused, innovativeness and organizational learning. Innovativeness (Creating change) is the ability to perceive and meet the requirements of the external environment through change. Customer focused (orientation) considers that the organization understands and responds to the customer’s needs, anticipating their future needs; this feature reflects the degree to which the organization is concerned with customer satisfaction. Organizational learning is the organization receives, decodes and interprets the signals from the external environment, turning them into opportunities to encourage innovation, information collection and skills development. Organizational learning considers ‘thoughtful’ risk taking which is encouraged. Organizational learning means we gain knowledge from successes and failures. Our first reaction to reasonable mistakes is not ‘Who is to blame?’, but rather ‘What can we learn?’

Involvement refers to empowering and engaging people, building the organization around teams, and developing human capability at all levels (Katzenbach and Smith, 1993). In this way, organizational members are committed to their work, and feel a strong sense of ownership. People at all levels feel that they have at least some input into decisions that will affect their work and feel that their work is directly connected to the goals of the organization. Empowerment employees have authority, initiative and ability to manage their own work. Orientation towards teamwork, the organization counts on the team's efforts. Skills development, the organization invests in the employees' skills development.

Consistency refers to values and elements that form the basis of a strong organizational culture. Consistency looks at issues like 'does our system create leverage?' Consistency provides a central source of integration, coordination and control, and helps organizations develop a set of systems that create an internal system of governance based on consensual support. Core values looks at the existence of a common set of values. Consensus is both general consensus and the ability to reconcile differences that occur. Coordination and integration says that although different, the members of the organization work together to achieve organizational objectives.

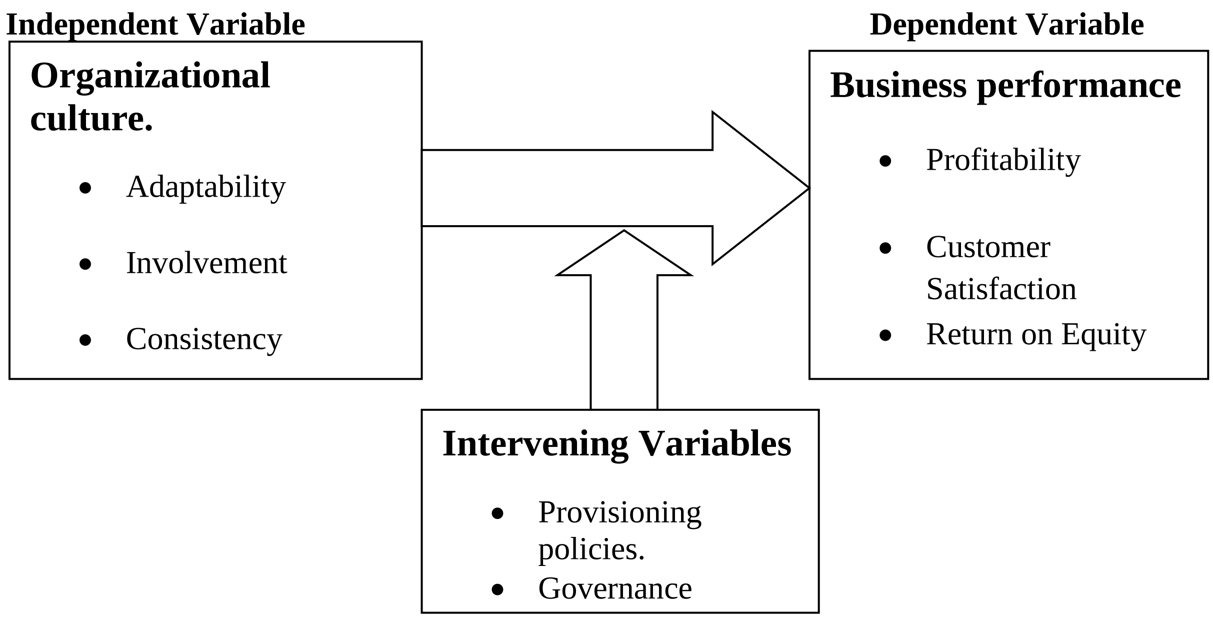
If the two dimensions that is, consistency and involvement refer to the internal integration process supported by Edgar Schein, then adaptability and mission emphasize the organization's need to external adaptation.

1.9 Conceptual framework

Denison's organizational culture model is based on four cultural traits involvement, consistency, adaptability, and mission that have been shown in the literature to have an influence on organizational performance (Denison and Mishra, 1995). Denison's theory states that each of the four major cultural traits promotes superior firm performance. Since performance management also results in superior performance, corporate culture was based on the perceptions of organizational practices and conditions, to characterize the organizational culture. He also asserted that the organization with participative culture performed better than other cultural types.

The variables interrelationship can be conceptualized as shown in the figure below.

Figure 1: Conceptual framework



Source: Adopted from the Denison model (1990) and customized by the researcher.

The model in figure 1 above reflects how organizational culture (independent variable) and its essential traits which include adaptability, involvement , mission, and consistency, if used appropriately can lead to good business performance (dependent variable) such as profitability, customer satisfaction and return on equity.

In the adaptability trait, the organization is asking that 'are we listening to the market place?' High performing organizations have the ability to perceive and respond to the environment, customers, and restructure and re-institutionalize behaviors and processes that allow them to adapt. They take risks, and learn from their mistakes, and have capability and experience at creating change (Kotter, 1996 and Senge, 1990). As they create, they enhance innovativeness and market leadership which in turn boosts their performance. Adaptability includes being customer focused, innovativeness and organizational learning. When the organization asks itself such questions, this enables it to adjust according to customer needs which makes them to respond accordingly. In result, they will be viewed as a customer responsive institution which increases customer royalty, numbers, greater strategic alignment and goal attainment (Bezrukova et al., 2012). Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998). Adaptability transforms the requirements of the external business environment into action. Ironically, organizations that are well integrated are often the most difficult to change. They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers (Stalk, 1988). Adaptability has an impact on organizational effectiveness and performance.

In Consistency, behavior is rooted in a set of core values, leaders and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991). Consistency provides a central source of integration, coordination and control, and helps organizations develop a set of systems that create an internal system of governance based on consensual support.

This enables the organization to achieve the performance goals agreement is reach among the workers.

Consistency defines values and elements that form the basis of a strong organizational culture.

Organizations tend to be effective because they have strong cultures and they are coherent, well-coordinated and integrated.

The employees' behavior is based on a well-defined set of values and the leaders have the skills necessary to reach an agreement even when there are very different views. Consistency creates a strong culture that is based on beliefs, values, symbols that are understood and supported by the staff. Consistency is a powerful source of stability and internal integration resulting from a mind-set common to all members of the organization and from a high degree of compliance. This in turn encourages goal congruence which enhances business performance.

In involvement, effective organizations empower their people, build their organizations around teams, and develop human capability at all levels (Lawler, 1996). Highly involved organizations create a sense of ownership and responsibility. Out of this sense of ownership grows a greater commitment to the organization and an increased capacity for autonomy. Involvement affects business performance in a way that the employees commit to a lot of efforts and skills, which brings about growth hence improving performance.

Effective organizations empower employees, they count on teamwork, and they develop human skills at all organizational levels. Top managers, the executives and the employees are actively involved in the work they perform and they feel they are part of the organization. The behaviors of its members is a valuable source of firm's competitive advantage (Peteraf, 1993).The members of the organization can influence, to a certain extent, the decisions that have an impact on their work and they feel that the tasks performed lead to the fulfillment of the set objectives.

Business performance refers to the degree of entity's accomplishment of the task that makes up an employee's job (Cascio, 2006). Business performance is defined by Niculescu and Lavalette (1999) as "a state of competitiveness of the economic entity, reached by a level of efficiency and productivity that assures a sustainable presence on the market". Job performance is the net effect of an employee's effort as modified by abilities and roles or task perceptions (Jones, 2003).

Business performance was used to refer to the achievement of pre- selected goals by a business entity, which may be financial or non-financial. Business performance is a combination of management and analytic processes that allow managers of an organization to achieve pre-determined goals. In this case, the researcher looked at profitability, customer satisfaction and return on equity.

Profitability is the ability of a business to earn a profit. A profit is what is left of the revenue a business generates after it pays all expenses directly related to the generation of the revenue, such as producing a product, and other expenses related to the conduct of the business' activities. Gibson (1998) defines the profitability of a firm as "the ability of firms to generate earnings.

Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds their specified satisfaction goals. Customer satisfaction also refers to the measure of how products and services supplied by a company meet or surpass customer expectation.

Return on equity refers to them measure of net earnings in relation to the total Stockholders Equity. Return on Equity describes how well contributions from stockholders generated earnings for the company.

Return on Equity is the profit after interest but before taxation (i.e. turnover less costs and less interest paid) as a percentage of shareholders equity.

1.10 Conclusion

The study therefore intended to analyze the effect of organizational culture on business performance and what kind of relationship is it positive or negative. This enhanced the researcher to draw conclusions as to whether financial institutions need to pay attention to organization culture if they are to realize return on equity, profitability and customer satisfaction.

This chapter covered an introduction and background to the study, employed the generic theory of organizational culture, problem statement, purpose of the study, objectives of the study, research questions, scope of the study, significance of the study, justification of the study, conceptual framework and operational definitions of terms and concepts.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed both theoretical and conceptual literature on organizational culture and business performance of financial institutions. It also reviewed the effect of organizational adaptability on business performance, employee involvement in decision making on business performance, the organizational consistence and business performance of financial institutions and the conclusion.

2.1 Theoretical review

There are two theories of organizational culture that are relevant to this study, but majorly the generic theory of organizational culture by Maurice Yolles (2010) has been considered to guide this research because of the various reasons as discussed in this section.

2.1.1 The generic theory of organizational culture

The generic theory of organizational culture is the Maurice Yolles (2010) which connects recognized properties and processes of organizational theory, provides for distinctions between internal environment (organizational culture, strategy, structure and operations), and external environment (legitimization environment and task environment) of an organization. The generic theory of organizational culture allows for diagnostic analysis in order to map and create typologies depending on context.

The theory focuses on redefining existing concepts of organizational culture in a way that a new concept of organizational culture fits the classes of organization theory. Theory has capacity to provide pragmatic meaning in case of studies and may contribute to identification of dysfunctions in organizations. The theories of organizational culture visited and linked to organizational theory are generally classified into two categories; that is, the dimensions approach, (Schwartz, 2007) and interrelated structure approach (Pflesser, 2000).

The dimensions approach is one of the most prominent approaches to cultural constructs in particular for quantitative research. Schwartz, (2007) emphasize that organizational culture dimensions considerably differ from national culture dimensions; nevertheless, they are related to each other. The interrelated structure approach of organizational culture is characterized by bidirectional links indicating interdependence, that is, both approaches are well rounded and recognized in their respective fields however, they are rooted in organizational theory.

The generic organizational culture theory cannot go without criticism since it is common knowledge that organizations environments are always not static. They keep changing from within and without. Secondly, organizations' environment differs by mission, and vision, funders /financiers, and objectives. Never the less, Maurice (2010) theory in this study suggests the concept of environments which encourages adaptability and involvement especially from the external environment.

2.1.2 The Denison theory or framework

Denison's organizational culture theory is based on four cultural traits involvement, consistency, adaptability, and mission that have been noted to have an influence on organizational performance (Denison and Mishra, 1995). Denison's theory states that each of the four major cultural traits promotes superior firm performance. Since performance management also results in superior performance.

Adaptability Trait; Adaptability is the ability of the company to scan the external environment and respond to the ever-changing needs of its customers and other stakeholders. Organizations hold a system of norms and beliefs that support the organization’s capacity to receive, interpret and translate signals from its environment into internal behavior changes that increase its chances for survival and growth (Denison, 1990).

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The key concepts which were examined in the study are organizational culture and business performance. Ravasi and Schultz, (2006) stated that organizational culture is a set of shared mental assumption that guided the interpretation and action in the organization by defining appropriate behavior for various situations.

Hofstadter (2011) refers to organizational culture as various ideologies, beliefs and practices of an organization which makes it different from others. It is a pattern of basic assumptions learned by a group it solved its problems of external adoption and internal integration which has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

Robbins (2013) defines organizational culture as a system of shared meaning held by members of the society that distinguish one organization from one another.

The context of organizational culture in financial institutions mainly considers increase in the institutions' performance especially the financial aspect. It's basically how the contents of organizational culture which include adaptability, involvement, and consistency influence business performance which impacts on customer satisfaction leading to profitability and return on equity.

2.2 Organizational adaptability and business performance

Adaptability: Ironically, organizations that are well integrated are often the most difficult ones to change. Internal integration and external adaptation can often be at odds. Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998). They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers (Stalk, 1988).

Organizational culture finds expression through the thoughts, intentions, actions and interpretations of members of the organization (Hallett, 2003).

In a strategic sense, adaptability is the ability of a firm to form and execute an effective strategy. The ability to adapt, however, seems to include much more than just the ability to do strategy. As will be demonstrated below, a variety of factors and perspectives help illustrate the relationship between business performance and adaptability. It is not at all clear from recent research where one begins and the other ends. Sorting this issue out is a primary purpose of this investigation.

Marcoulides and Heck, (1993), have linked adaptability with the firm's business performance.

More specifically, a strong relationship between adaptability (viewed as a set of cultural values) and firm performance has been demonstrated (Dennison, 1984 & 1990; Kotter and Heskett, 1992).These researchers contend that firms which better internalize values that lead to a superior ability to recognize and adapt to changing conditions are more likely to reap superior rewards.

Adaptability is inextricably linked to the concept of business performance and appears to be more complex than a simple set of cultural values. The ability to adapt to changing conditions is an underlying premise of the strategic choice perspective that is prerequisite to business performance (Child, 1972). It also permeates the organizational change literature. If one believes that organizations can overcome inertia, then adaptability could be conceived of as the converse of inertia Rumelt (1994). Recent studies have found impressive correlations between adaptability (defined as a set of cultural values) and firm performance (Kotter and Heskett, 1992).

Cultivating a strong culture has often been viewed as a potential path to aligning employees with an organization's strategic priorities (Tushman and O'Reilly, 2002). Consensus and intensity about certain norms increase a group's efficiency and free members to concentrate on non-routine challenges (Hackman &Wageman, 2005). The existence of strong group norms and their predictable enforcement can increase a group's felt distinctiveness, commitment, and longevity (Rucker, Polifroni, Tetlock, & Scott, 2004).

Others, however, have been skeptical of the notion that a strong culture boosts performance, particularly in dynamic environments. Most notably, Sorensen (2002) found that strong-culture firms gained an advantage in static environments through greater reliability in financial outcomes, but that having a strong culture was associated with less reliable and ultimately weaker financial results in turbulent environments. The relationship between organizational adaptability and business performance of institutions to a great extent relates to previous studies such as a study by Akhtar et al. (2012) who noted that the dimensions of organizational learning, and innovation forms part of the dimension of organizational performance and that they had positive impact on the same, namely inquiry and dialogue and systems connection. Supported by Jyothibabu, Farooq and Pradhan (2010), inquiry and dialogue promotes thinking collectively and communication which contributes positively to organizational performance.

But, in volatile environments, those in which technology and macro-economic conditions are changing rapidly, he and others (Van den Steen, 2005) found that the very consistency that boosted firms' financial performance in static environments appeared to constrain a firm's ability to adapt to new strategic challenge challenges and reduce its performance.

In a more psychologically based version of this critique, others have argued that strong cultures can induce cognitive and behavioral uniformity among group members (Goncalo and Staw, 2006) because cohesive groups tolerate less deviation among members (Kaplan et al., 2009). Nemeth and Staw (1989) argued that ambiguity is needed to promote the behavioral variation essential for creativity in organizations. If people are free to express any ideas they wish without fear of ridicule or reprisal from other members of their group, they will generate more creative solutions (Forster et al., 2005). In contrast, these authors argue, strong norms can induce people to choose to adopt the dominant perspective or at least affirm it in the presence of their peers. Further, as Nemeth and Staw (1989) note, this tendency may be exacerbated in organizations, where "one of the most significant psychological tendencies is a strain toward uniformity, a tendency for people to agree on some issue or to conform to some behavioral pattern". This perspective suggests that strong culture promotes variation in behaviors that permit the discovery of new ways of learning and problem solving. One way this can occur is through the adoption of norms that promote creativity and adaptability. For instance, Hargadon and Sutton (1997) have described how IDEO, the well-known product design firm, is characterized by strong norms for creativity and implementation that result in the firm being "routinely innovative". Khazanchi, Lewis, and Boyer (2007) made a similar observation, noting that a culture needs to promote both flexibility and control to be innovative. In a study of 759 firms, Tellis, Prabhu, and Chandy (2009) found that radical innovations were more likely to emerge when an organization's culture had a higher risk tolerance, was future-oriented, and promoted cannibalizing existing products. Thus, when a culture is characterized by norms such as risk-taking, a willingness to experiment, taking initiative, and being fast moving, the strong normative order may promote what appear to be non-uniform behaviors—but which actually arise from adherence to a norm that promotes adaptability and learning (Baer & Frese, 2003; Caldwell and O'Reilly, 2003).

An adaptability norm encompasses innovation but is defined more broadly. 'Innovation,' as typically used, often refers to technical advances in products or processes. Conventionally, innovation has been defined as the introduction into an applied setting of something that is new (Caldwell and O'Reilly, 2003). As such, innovation is a narrower construct in that it does not include the broader set of actions required for an organization to adapt to environmental changes. For example, it would be possible for an organization to be "innovative" in terms of product or process, but also fail to adapt to changing circumstances (Benner and Tushman, 2002). Yet Angelika Wodecka-Hyjek, (2014),Vigoda-Gadot et al. (2005) looks at innovativeness as including five dimensions: creativity, risk-taking, openness to change, future orientation, and pro-activeness.

Schein (1985) proposed that culture addresses two fundamental issues confronting organizations: the need to adapt to external changes, and the need to provide internal integration. To promote adaptability, the norms that define an organization's culture need to promote flexibility, risk-taking, and experimentation within the firm. Several studies have shown that cultures emphasizing these norms and values can enhance organizational innovation and adaptation in the marketplace (Bueschgens et al., 2010).

This focus on adaptability may explicitly contradict the argument that culture necessarily exerts a homogenizing effect on behavior since behavior associated with divergent thinking and implementing adaptive products or processes may vary dramatically across actors and situations (Goncalo and Duguid, 2011). Further, being adaptive may be how organizations derive the purported advantages of strong cultures even in rapidly changing situations (Flynn and Chatman, 2001). Groups that successfully cultivate adaptability typically permit members to express themselves in wide-ranging behaviors, and this freedom of expression helps groups explore divergent solutions to a problem (De Dreu and West, 2001). At a psychological level, a cultural focus on adaptability can stimulate novel outcomes by attaching social approval to activities that facilitate group creativity and implementing new ideas.

Compared to high-consensus culture organizations that intensely emphasize norms that promote behavioral uniformity, those emphasizing adaptability are more likely to recognize environmental volatility and discover alternative routines (Deshpande, Farley, and Webster, 1993). They are also more likely to recognize the value of hiring people whose beliefs challenge the organization's dominant mindset (Sutton, 2001). Indeed, the claim that homogeneity engendered by the selection process limits creativity (Schneider, et al., 2002) is dubious because selection processes can also deliberately favor hiring diverse people who are open to new circumstances (Flynn and Chatman, 2001). Further, organizations can be ambidextrous, simultaneously competing in mature and emerging technologies and markets, by designating different alignments and cultures across "explore" and "exploit" units. Recently O'Reilly and Tushman (2013) suggested that what has been called "contextual ambidexterity" may simply be a culture in which an adaptability norm is strongly held (intensity) in the context of high consensus about a broad set of cultural norms.

It is suggested that, instead, that deliberately developing and maintaining an intensely held norm of adaptability in the context of high consensus across a broader set of cultural norms may result in better financial performance over time because members are more likely to recognize that environmental change is imminent, as well as to be highly committed to enabling their organization's success (Levinthal, 1991).

Consistent with this logic, several studies have explored how a culture that values adaptability may enhance organizational performance. Khazanchi et al (2007) examined 271 manufacturing plants and found that greater intensity among members about flexibility and control was associated with faster and more complete implementation of a new process technology. Flexibility encouraged worker empowerment and creativity while control aided in the implementation of the new ideas. Other studies of culture and adaptability have emphasized the seemingly paradoxical need to promote both exploration, and coming up with new product or process ideas and market opportunities, and exploitation, or implementing those new ideas in order to improve performance inherent in adaptability (O'Reilly and Tushman, 2013). Taken together, we suggest that resolving the inconsistencies in our understanding of the culture-performance relationship requires deconstructing culture by considering culture content, consensus, and intensity as distinct constructs.

2.3 Employee involvement and business performance

Effective organizations empower their people, build their organizations around teams, and develop human capability at all levels (Lawler, 1996). Executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization. Performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors" (Armstrong and Baron, 1998). It supports the rationale that people and not capital provide organizations with a competitive advantage (Reynolds and Ablett, 1998). People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization (Katzenberg, 1993; Spreitzer, 1995).

A team is a little amount of populace with balancing ability who are dedicated to a combined reason, a set of goals, and an approach for which they hold themselves equally responsible (Katzenbach, Jon, Smith, Douglas, 1993). It is essential to create a difference among group. The work of teams depends on its associate performance as individuals. On other side, the performance of a team is a function of both individual results and collective work-products. For good team performance members of groups must be collectively trained and this plays an important role in building effective teams (Driskell & Salas, 1992; Earley, 1993; Eby & Dobbins, 1997).

Employee Involvement is one of the important topics for business performance. Most of researches in this field have considered involvement in budgeting, while the subject of involvement can be observed through performance assessment system to improve the human resource accounting (Abernethy and Bouwens, 2005).

In today's world, creativity of employees is one of the effective options on organization performance (Crant, 2000). In the present study, creative employee means to be primer, active, and dynamic (Frese and Fay, 2001). Employees, as directly dealing with business processes, can improve business performance system. This involvement will make employees sure about the outcomes of performance assessment system. The outcome of performance assessment system will be the job feedback of employees, which by discussing about can increase employees' knowledge (Abernethy and Bouwens, 2005).

Concerning capacity development, the study findings related to Blackwood et al, (2006) who defined it as a skill to achieve objectives and to perform tasks and also added that capability development is not just developing new skills but also developing organization and helps employees in managing their performance levels to achieve organizational and employee objectives. Ability development helps organization to compete in markets and also helps employee to develop their skills and improve their knowledge. They continued to say that organizations can’t perform well until their employees’ skills are developed, and for developing employees’ skills organizations need to develop capabilities of employees.

Like Huselid, Pfeffer (1998) draws similar conclusions on the value of progressive people management policies, claiming that ‘profits through people’ are largely attributable to a small grouping of people-management policies, including a number of participative elements such as self-managed team working. The success and legitimacy of delegation as democracy which are principles of management rests on a system that facilitates and promotes the participation of most, if not all, employees (Prasad & Eylon, 2001). Psychological perspective: Psychological delegation refers to a set of psychological conditions necessary for individuals to feel in control of their own destiny (Spreitzer and Doneson, 2005). And, The critical perspective: empowering employees by putting them into work teams resulted in extensive peer pressure that left employees feeling ever more controlled and disempowered. Hence, without granting real powers, ownership and control to employees, implementation of management principles is questionable (Barker, 1993). In short delegation means Individuals have the authority, initiative and ability to manage their own work. This creates a sense of ownership and responsibility towards the organization (Denison 2000). Organizations rely on group based approach and put team effort to achieve organizational goals and objectives. Many organizations depend on team based approach to improve their performance. (Denison 2000).

Capacity is defined as a skill to achieve objectives and to perform tasks. (Blackwood, Bryson, Merritt, 2006). Capacity development is not just developing new skills but also developing organization and helps employees in managing their performance levels to achieve organizational and employee objectives. Ability development helps organization to compete in markets and also helps employee to develop their skills and improve their knowledge. (Blackwood, Bryson, Merritt, 2006).

According to Mathiprakasam (2003), organizations can’t perform well until their employees’ skills are developed, and for developing employees’ skills organizations need to develop capabilities of employees; developing ability includes different actions developed to get along employees better with better developed capabilities. Capabilities are not the skills related to technical areas and abilities of employees but also other aspects of employee development which includes attitudes and capabilities. Capability development actions in different organizations are developed to achieve specific objectives and organizations also focus on short term and long term objectives by developing employee skills. Organizations use different methods to develop employee skills and to improve employee and organization's performance. Lyytinen, Rose and Yoo (2002), say that in present competitive market learning is important to be in market for organizations (Kitagawa and Watt, 1999). Kitagawa and Watt (1999) say that every worker in an organization must learn new things and do his own assessment, learning is necessary for an organization to develop in all functions so that it can get developed in all aspects. Managers therefore, must ensure that during this learning process employees learn according to organizational needs and wants, managers must assess their employees', this can help an organization to see the effectiveness of learning.

The idea of empowering employees means abandoning command-control system and mechanistic structure. In order to achieve results, modern managers and leaders need to act as facilitators rather than controllers of the work processes Chatleska, (2013).

2.4 Organizational consistency and business performance

According to Eisenhardt & Brown, 1998, one of the major questions in strategic management is to what extent firms should be consistent in their strategy and structure. Intuitively, flexibility and speed seem like necessary conditions for competitive advantage however, Barnett & Hansen, 1996; Sheth & Sisodia, 2002) argues that consistency instead of aggression or mere speed is a necessary condition for firm's survival. This line of thought goes back to classic work on strategy (Greiner, 1967; Miles & Snow, 1978; Porter, 1980) and organization theory (Hannan & Freeman, 1984), and is manifested in constructs such as path dependence (David, 1986), momentum (Miller & Friesen, 1982), convergence (Tushman & Romanelli, 1985), fit (Venkatraman, 1989), coherence/consistency (Nath & Sudharshan, 1994), competitive inertia (Miller & Chen, 1994) and logical incrementalism (Quinn, 1980) as cited by (Antti Lamberg et al 2010).

It is proposed that inappropriate level of organizational consistency is a necessary condition for firm survival. They also added that that a level of strategic consistency reflects the causal pathway that relates competitive actions to long-term organizational survival and managers can use it to fine-tune patterns of competitive behavior.

Sorensen (2002) theorized that strong cultures lead to consistency in performance by increasing employee consensus and willingness to endorse organizational goals, reducing uncertainty through goal clarity, and increasing motivation. Further, he argued that this social control leads to greater consistency and reliability in performance.

Organizations also tend to be effective because they have “strong” cultures that are highly consistent, well coordinated, and well integrated (Davenport, 1993; Saffold, 1988). Behavior is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991). This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity (Senge, 1990).

A consistent focus on behaviors that cultivate trial-and-error experimentation and being opportunistic may promote an organization’s ability to take advantage of changes in the market over time. Encouraging risk-taking and divergent behavior could help strong-culture organizations avoid becoming overly reliant on organizational routines and failing to learn, two tendencies that are associated with the performance disadvantages of strong cultures (Goncalo and Duguid, 2011). Some have argued that any organization in which high consensus exists undermines creativity, innovation, and adaptability and that maintaining as much heterogeneity in beliefs is much more conducive to innovation (Staw, 2009).

Although the general concept of consistency has been used with widely differing meanings in a variety of contexts, its uses can be understood along two issues: (a) primarily descriptive or normative; and (b) primarily conceptual or empirical. For the first issue, the primarily descriptive use of this concept involves the specification of the existence of some theoretically-argued relationships among a set of concepts without any explicit link to performance.

Business performance refers to the degree of entity’s accomplishment of the task that makes up an employee’s job (Cascio, 2006). Business performance is defined by Niculescu and Lavalette (1999) as "a state of competitiveness of the economic entity, reached by a level of efficiency and productivity that assures a sustainable presence on the market". Job performance is the net effect of an employee’s effort as modified by abilities and roles or task perceptions (Jones, 2003).

Business performance was used to refer to the achievement of pre- selected goals by a business entity, which may be financial or non-financial. Business performance is a combination of management and analytic processes that allow managers of an organization to achieve pre-determined goals. In this case, the researcher looked at profitability, customer satisfaction and return on equity.

Profitability is the ability of a business to earn a profit. A profit is what is left of the revenue a business generates after it pays all expenses directly related to the generation of the revenue, such as producing a product, and other expenses related to the conduct of the business' activities. Gibson (1998) defines the profitability of a firm as "the ability of firms to generate earnings.

Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds their specified satisfaction goals. Customer satisfaction also refers to the measure of how products and services supplied by a company meet or surpass customer expectation.

Return on equity refers to them measure of net earnings in relation to the total Stockholders Equity. Return on Equity describes how well contributions from stockholders generated earnings for the company.

Return on Equity is the profit after interest but before taxation (i.e. turnover less costs and less interest paid) as a percentage of shareholders equity.

Customer satisfaction is frequently used term in business literature which indicates how products and services offered by a company meet the expectations of customers. It is a measure of how a company offers its products and services which meet or exceed customers' expectations. Customer satisfaction is mainly related to the whole consumption experience by the customers. The different aspects of customer satisfaction mentioned by Oliver (1997) are: Satisfaction with final outcomes. Satisfaction with events that happen during consumptions Satisfaction with level of received happiness. According to Oliver (2010), "Satisfaction is the consumers'fulfilment response.

Certain types of cultures lead to better financial performance. Underlying this view is the logic that the clarity derived from salient shared norms that are strongly enforced among members promotes greater strategic alignment and goal attainment in strong-culture firms (Bezrukova, Thatcher, Jehn, and Spell, 2012 Tushman and O'Reilly, 2002). Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future (Hamel and Prahalad, 1994).

Siminica (2008) appreciates that "an enterprise is performing when it is at the same time *efficient* and *effective.* Therefore the performance is a function of two variables, efficiency and efficacy. While efficacy reflects the achievement of external expectations, efficiency is measured by the achievement of internal environment of a firm".

This study mainly aimed at investigating the effect of organizational culture on of business performance. Denison's model proposed that organizations with a higher combined measure of the four culture traits show higher levels of performance which itself is the result of performance management. Therefore the first hypothesis of the theory was of academic interest in organizational culture and was evidenced by the level of attention it has received over the last few decades. The relationship between organizational culture and performance has been the subject of abundant research in several fields, including strategic management, organizational behavior, and industrial organizations. While this topic is rich in studies, many researchers concur on some facts and not all of them.

Organizational culture has been defined as the "normative glue" that holds an organization together (Tichy, 1982). Forehand and von Gilmer (1964) suggest that culture is the set of characteristics that describe an organization and distinguish it from others. Schein (1990), in a more comprehensive fashion, defines culture as values and behaviors that are believed to lead to success and are thus taught to new members.

Central to the culture definition is the idea that culture must be learned and shared (Titiev, 1959).

The culture of a group can be defined as: “A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1990).”

More, organizational culture has been defined as patterns of shared values and beliefs over time which produces behavioral norms that are adopted in solving problems (Owens 1987; Schein, 1990).

The organization’s internal environment is represented by its culture and is construed by the assumptions and beliefs of the managers and employees (Aycan et al., 1999).

Organizational Culture manifested in beliefs and assumptions, values, attitudes and behaviors of its members is a valuable source of firm’s competitive advantage (Hall, 1993; Peteraf, 1993) since it shapes organizational procedures, unifies organizational capabilities into a cohesive whole, provides solutions to the problems faced by the organization, and thereby, hindering or facilitating the organization’s achievement of its goals (Yilmaz, 2008).

Morgan (1997) describes culture as “an active living phenomenon through which people jointly creates and recreates the worlds in which they live.”

According to Armstrong and Baron (1998), business performance is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. It supports the rationale that people and not capital provide organizations with a competitive advantage (Reynolds and Ablett, 1998). The purpose of business performance management is to transform the raw potential of human resource into performance by removing intermediate barriers as well as motivating and rejuvenating the human resource (Kandula, 2006). Competitive capacity of organization can be increased by building strong people and effectively managing and developing people which is in essence performance management (Cabrera and Banache, 1999).

Therefore, organizational culture has been linked to economic performance and organization success (Sorensen, 2002; Devis, 2007). For example, organizations dedicated to continuous improvement, with visionary leaders who 'walk their talk' and focus.

On a set of core values, have been shown to be more financially successful in the long-term (Kotter and Heskett, 1992). Organizational culture has also been shown to be important for successful new product/process innovation and organizational change (Plakhotnik and Tonette, 2005). To operate successfully across cultures, it is important to be able to recognize cultural differences and be adaptable (Deter, et al., 2000).

2.5 Conclusion

The literature review found out that organizational culture traits are interrelated and that they together influence business performance. It was however noted that enforcing the traits appropriately as per the discussions given could be a complicated issue.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology the study adhered to in attempt to establish the effect of organizational culture on business performance. It gives details of the research design adopted, study population, sample size and selection, the sampling techniques and procedure, data collection methods and instruments and validity and reliability of research instruments applied. It further describes the data processing and analysis methods that were employed in the study and concludes with measurement of variables.

3.1 Research design

Leedy and Ormrod, (2005), described a research design as a comprehensive plan expressing all the methods that are to be used in the collection and analysis of data. The study used a case study design adopting both qualitative and quantitative approaches. The use of the case study approach was that the case study provides for an in depth analysis of the study phenomenon than other study approaches would. The case study design is also useful where the study is on contemporary issues which the researcher cannot influence (Yin, 2004), a good method to check on theoretical assumptions as well as being a good source of ideas about behavior. As justified by Amin (2005), quantitative approach was used in the study since it describes in quantitative terms the degree to which variables are related. It involves collecting data to determine whether and to which degree a relationship exists between the two variables under the study. The degree of relationship expressed as a correlation coefficient while the extent to which the independent variable influence the dependent variable was expressed using regression techniques. The study used interviews to gain qualitative data on the study variables to help offer an explanation of the status quo and triangulate the data (Amin, 2005).

3.2 Study Area

The study was carried out on branches in Kampala, Wakiso and Mukono districts, which is in the central, and the semi urban parts of Kampala capital City. It covers areas like Nansana, Gayaza, Kalagi, Mukono, Kamwokya, through the City centre, Kawempe, and Nateete. This study area was picked because it covers a mixture of both old and new branches which represents an overall picture and perception of the state of affairs in the institution. This also gave a well represented impression on the variables in this study.

3.3 Study population

According to Mugenda and Mugenda (1999, page 5), a population is a complete set of individuals with some common observable characteristics. The study population under investigation was composed of all officers' managers and supervisors in the nine branches in central region which included Kampala Wakiso, and Mukono as shown in the table 3.1 below;

Table 3.1: Study population

District	Branch name	Relationship officers	Branch relationship supervisors	No. of Branch managers	Totals
Kampala	City	10	2	1	13
	Owino	9	2	1	12
	Nateete	7	2	1	10
	Kawempe	9	2	1	12
	Kira	11	2	1	14
Wakiso	Nansana	6	1	1	8
	Gayaza	5	1	1	7
	Kalagi	6	1	1	8
Mukono	Mukono	4	1	1	6
Total		**67**	**14**	**9**	**90**

Source: Staff updates report (First quarter, 2015).

The study considered the total number of 67 officers, 14 supervisors, and 9 managers as the study population, making the total of 90.

3.4 Sampling Procedures

3.4.1 Sample size

Table 3.2: Showing sample size and the sampling strategies.

Number	**Particular**	**Population**	**Sample size**	**Sampling technique**
1	Officers	67	54	Simple random
2	Supervisors	14	11	Simple random
3	Managers	9	7	Purposive.
	Total	**90**	**73**	

The sample size was determined by applying the formulae n = N/ (1 + Ne ^{2})

Denoted by; Yamane 1967; n=Sample; N= Population size, e = Level of significance (5%).

This means; $n = \frac{90}{1+90\times e^2} = \frac{90}{1.225} = 73$

Officers = $\frac{67}{90}\times 73$ = 54

Supervisors = $\frac{14}{90}\times 73 = 11$

Managers = $\frac{9}{90}\times 73$ = 7

Therefore the study, intended to involve 73 respondents out of 90 accessible population of which out of these, 14 supervisors from the nine branches the researcher intends to consider a sample of 11 members meaning $\frac{11}{9}$ = 1 for each branch and these were selected purposively.

From the calculation out of 9 branch managers, from the nine branches, the study planned to consider a sample size of 7 participants from City, Owino, Kawempe, Nateete, Nansana, Mukono, and Kalagi, one from each branch, this was based on the number of managers each branch has.

For relationship officers (R.Os), out of 67 the researcher intended to consider 54 in all. The study intended to consider 8 officers for City, 6 for Owino, 7 for Nateete, 8 for Kira, 7 for Kawempe, 5 for Nansana, 3 for Gayaza, 3 for Mukono, 5 for Kalagi. The variations in number were as a result of difference in the officers totals per branch. These was selected using a simple random sampling where the total number of accessible population of officers for a particular branch was typed in one cell of the excel sheet then click on the random sampling icon to generate the number of samples for each branch.

3.4.2 Sampling techniques

A sampling is a process of selecting elements from the population in such a way that the sample elements selected represents the population Amin, (2005, p.236). This study used both purposive and simple random techniques

3.4.3 Purposive sampling

This is where the researcher chooses the respondents by the virtue of one's position, experience and expert knowledge on matters related to the Bank. This was applied on branch relationship supervisors and branch managers. The study considered one branch supervisor (BRS) and one branch manage per branch. These included any of the branch manager or supervisor depending on their expert, knowledge, the period one has served in that capacity and the number of years one has served in this Bank not less than five years.

3.4.4 Simple random sampling

This sampling technique was used on the relationship officers that are staff members in the nine branches of Kawempe, City, Owino, Nateete, Kira, Mukono, KalagiNansana and Gayaza. From this, a representative sample was selected out of the total of 67 officers was determined using a formula by Yamane (1967).

3.5 Data collection methods and instruments

3.5.1 Data collection methods

The study employed both primary and secondary methods of data collection. The primary data involved questionnaires and interview as explained below, whereas secondary methods involved a review of related literature such as organizational reports and management minutes.

Questionnaires

Mostly used to capture Quantitative information about the population questionnaires are categories of self-administered questionnaires, researcher administered questionnaire and mailed questionnaires.

The study employed researcher administered questionnaire to avoid misinterpretation of questions considering the different interpretations of the various respondents (the officers who are of different backgrounds - disciplines), it is easy to cover a large number of respondents in a short time, it is a reliable method especially when it is administered, less expensive for data collection (Amin, 2005) and with a high response rate.

The study used a closed ended questionnaire divided into sections of key background characteristics, organizational culture and business performance. A standard questionnaire on a five point Likert scale of (5- Strongly agree; 4- Agree; 3- Not sure; 2- Disagree; 1- Srongly disagree) was used to get quantifiable primary data from individual officers, supervisors and managers.

Interviews

According to Mugenda and Mugenda, (1999), they are oral administered questionnaires which are open ended, they are face to face encounters between the researchers and respondent, they refer to the questions which give the respondents complete freedom to respond in his or her own words. Face to face interviews were conducted to allow the researcher obtain accurate and in depth data through probing which could not be done by use of questionnaires hence reducing non response rate. Interviewees were purposively selected among branch relationship supervisors and branch managers who were expected to have firsthand information about the Bank due to their age and number of years one has worked with that Bank, number of year in service in that particular position, and one's commitment to the Bank.

Documentation review

This is another method of data collection method that was used in the study; the researcher was to review related records in attempt to find out the relationship between the two valuables such as: Senior management team minutes, branch managers quarterly meeting minutes, annual staff gathering minutes, quarterly and or monthly business performance reports and Bank's annual financial reports.

3.5.2 Data collection Instruments

According to Mugenda (1999) Makori et al (2013), research instruments relate to the ways how primary data is collected. Polit and Hungler, (2001), consider them as self-report from instruments for soliciting written responses of the subjects. Quantitative tools the researcher will use questionnaires while qualitative tools included interview guide and document review checklist as guided by Amin (2005).

Questionnaires

Structured and semi structured questionnaires was used to collect data from simple randomly selected sampled respondents. The questionnaire was based on Likert's 1931 Likert-Type Scales which he described for the assessment of attitudes (Gliem&Gliem, 2003). Mclver and Carmines (1981) define the Likert Scales as a set of items with closely an equal number of favorable and unfavorable statements about the attitude object given to subjects. Nunnally and Bernstein (1994); McIver and Carmines (1981); and Spector (1992) support likert scales as multi-item measures capable of minimizing random measurement errors, compared to single items. A 5 point likert scale questionnaire was used as a data collection instrument because it ensures a high response rate with varied options yielding more information at a given point in time. In this case, the scale will express: Strongly disagree = 1; Disagree = 2; Undecided = 3; Agree = 4; Strongly Agree = 5.

Interview guide

This is a purposeful discussion between 2 or more people about a given subject or a range of subjects; this was carefully a designed instrument for collecting qualitative data in accordance with the specifications of the research questions and analysis. The interview guide was used to enable the researcher get on spot and in-depth responses.

Document review checklist

This is technique used to collect secondary data. It refers to the examination of already available data from source documents. It contained a list of documents to be reviewed by the researcher. The documents revealed senior management team, branch managers, and staff' comments and actions in relation to organizational culture and the performance related results of the Bank. This included; departmental reports, branch reports, senior management minutes, policy manuals, and the financial statements.

3.6 Data Quality Methods

To ensure data quality the researcher tested for validity and reliability.

Validity

It is the degree to which results obtained from analysis of data actually represent the phenomenon under study, Mugenda and Mugenda (1999), this is in agreement with Joppe, (2000). Whereas Amin (2005, p 285) defines it as the ability of the instrument to produce findings that are in agreement with the theoretical and conceptual values, to produce accurate results and to measure what it is supposed to measure. Emphasis here is on validity of the content to be expressed in a given instrument.

Content validity is the degree to which an instrument represents the variables under study. To achieve this, questionnaires included several questions seeking views on organizational culture and business performance considering the dimensions under culture as they relate to business performance for Opportunity Bank.

Questions were written in simple language for clarity and ease of understanding and clear instructions were given to guide the respondents. The researcher discussed the instrument with colleagues, supervisors and other experts but also did a pre-test on the instrument and analyzed.

The results from the discussions confirmed that the instrument was relevant in measuring organizational culture and business performance of financial institutions and therefore valid.

Reliability

It is a measure of degree to which a research instrument yields consistent results after repeated trial and it was checked using internal consistence and pre-testing of the instrument, Mugenda and Mugenda(1999 p 79 and 99) this is in agreement with Joppe, (2000). Reliability was enhanced by minimizing sources of measurement errors such as collector bias; the instruments were pretested on a reliable number of respondents sampled from purposively from other branches other than the ones selected before the actual data collection exercise.

Reliability of the scales was also done using Cronbach (1951) alpha coefficient value which was computed to show how reliable the data is using Statistical Package for Social

Scientist (SPSS) considering all variables scoring above 0.70 accepted for social sciences and the results are shown below.

Table 3.3: Reliability results summary

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Total No of Items
.847	.868	31

Source: SPSS software

The table 3.3 above shows that the alpha for the questionnaire was 0.847. Since the overall yielded an alpha value of 0.847, which is higher than 0.70 accepted for social sciences, it was concluded that the instrument was consistent in measuring organizational culture and business performance of financial institutions. This therefore shows that the tool was reliable.

3.7 Data management and processing

The data was properly handled and managed before it was analyzed. The data management process involved; collecting data pieces (questionnaires) for all the respondents, serially numbering and keeping them separately basing on the category of respondents. The data was then be grouped and summarized by tallying. Inspection and editing involved deleting of items that do not generate the desired information.

3.8 Data analysis

This is the process of bringing order, structure and meaning to the mass of collected data. It is a practice in which raw data is ordered and organized so that useful information can be extracted from it. The nature of data analysis varies, and correlates to the type of data being examined. However, this study employed both qualitative and quantitative data analysis methods.

3.8.1 Qualitative data analysis

Qualitative data is the process by which data is not described through numerical values, but rather by some sort of descriptive context such as text is analyzed. Data that was obtained by use of qualitative methods as mentioned earlier; documentary review and interviews were analyzed using qualitative methods such as content analysis.

Content analysis is a method for studying the content of written texts and artifacts obtained during interviews, observation or documentary review it explores the data by reading through all of your information to obtain a general sense of the information.

Qualitative data was analyzed using content analysis. This enabled the researcher to include large amounts of textual information, and to systematically identify its properties, such as the frequencies of most used keywords. Textual information was categorized to provide a meaningful reading of content under scrutiny

The researchers assigned a code word or phrase that accurately describes the meaning of the text segment. This helped to summarize responses into groups, reducing the number of different responses to make comparisons easier, sorts out concepts into groups, so that in each group the concepts are both: as similar as possible to each other, and as different as possible from concepts in every other group.

3.8.2 Quantitative data analysis

Raw data from the field was sorted, edited to check the completeness, accuracy and consistency of responses Kothereri, (1999). This was done in the field and after by the researcher.

Correlation Analysis, the CFA, (2013), stipulates that the correlation coefficient (r) is a measure of the strength of linear relationship between two variables. The study is to base on the product- moment correlation coefficient model to analyze the relationship between organizational culture and business performance of the Bank.

The correlation coefficient is a very useful measure because it is independent of the units of scale of the variables. According to Crawshaw and Chambers, (2001), the degree of correlation between two variables is a good guide to the likely accuracy of the estimates made from the regression equation. In case the correlation is high, then estimates are likely to be reasonably accurate; and if they are low, the estimates shall be considered poor since the unexpected variation is then high. They further contend that, the values calculated for correlation is influenced by the number of pairs of observations used; therefore, results obtained from a large sample are more reliable than those from a smaller sample.

3.9 Ethical Considerations

In conducting research, honesty and integrity was exercised to recognize and protect the rights of human subjects including the right to confidentiality, self-determination, anonymity and informed consent. Permission to conduct the research was sought from the human resources manager’s office and a letter of introduction to the branch’s management was sought first and the purpose of the study was communicated to the respondents. Integrity, confidentiality, and respect of the respondent's views were also observed by respondents only volunteering to participate in the study at their own will. This is meant to ensure that there is no potential risk or cost suffered by the respondent. All authors and authorities cited were acknowledged and referenced.

3.10 Limitations of the study

The study relied on primary data as collection of some secondary data from all offices to verify the organizational culture and business performance of the institution was challenging undertaking.

The use of secondary data would help triangulate and enhance the data quality to draw more meaningful conclusions on organizational culture and business performance of financial institutions. This limitation was overcome by using both questionnaires and conducting in-depth interviews with the respondents in data collection.

Access to data from the institution was another challenge. This was overcome by proper introduction using introductory letters from the University and convincing them that the data collected shall be kept confidential.

Time limitation was another challenge since this research was conducted with a fixed time period. The researcher made it possible to finish the research within the acceptable time schedule by concentrating and giving full attention to the research amidst tight work schedules.

Getting managers' to have an interview session was another challenge given their busy schedules. This was overcome by calmly requesting them for some time and explaining that it would be a short session and beneficial for future improvement considerations in the institution.

3.10.1 Conclusion

As described above, the methods employed while conducting the study gave details of the research and enabled data collection. This aided the presentation, analysis and discussion of the same as expressed in the following chapter. Better planning and prior notice to the respondents should be done to minimize the effect of the above highlighted limitations.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter covers the presentation and discussion of research findings from the questionnaire and interview guide collected on organizational culture and business performance objective by objective. The chapter presents; demographic characteristics of respondents; the effect of organizational adaptability on business performance; the effects of employee involvement in decision making on business performance; and the impact of the organization's consistence on business performance and conclusion of the chapter.

Out of the 73 respondents expected to fill the questionnaires sent and return them, 61 respondents filled and returned theirs thereby having a response rate of 83.5%. This is in line with Richardson (2005) who said that 50% is regarded as an acceptable response rate in research surveys. Having considered another Australian academic team who recommended a response rate of at least 70% [to be] both desirable and achievable,' he then concluded that response rates of 60% or more are both desirable and achievable. This was in agreement with Duncan D. Nulty, (2008) talks of discussed a range between 60% and 80%

4.1 Demographic Characteristics of respondents

The study sought to capture key characteristics of respondents which included position held, age of the respondents, duration in the Bank, name of the branch, location of the branch, Maturity of the branch, and category of the branch as they may influence the organizational culture and business performance in financial institutions. The results are presented in the tables below.

4.2.1 Position of Respondents

Table 4.1: Position Distribution

Position	**Frequency**	**Percent**
Officer	45	73.8
Supervisor	9	14.8
Manager	4	6.6
Others	3	4.9
Total	**61**	**100**

Source: Research Survey data, (2015)

From table 4.1; (73.8%) of the respondents were Officers followed by those who were supervisors with (14.8%), the remaining percentage was shared between managers and other positions. This shows that there were more officers as compared to other positions. Being a lending institution with most of the customers falling under the class of small businesses, causes the biggest number of staff to be officers – they attend to the various groups of clients thereby having more of them than other positions.

4.2.2 Age of Respondents

Table 4.2: Age Distribution

Age	**Frequency**	**Percent**
18-23 years	5	8.2
24-29 years	39	63.9
30-35 years	13	21.3
36-41 years	4	6.6
Total	**61**	**100**

Source: Research Survey data, (2015)

From table 4.2; majority of the respondents (63.9%) were in the age bracket of (24-29) followed by those in the range of 30-35 (21.3%). This indicates that the institution recruits more of the youths possibly because they have more energy to the success of the organization. Also due to the fact that this is the age bracket which has just come out of school, gained skills and is still willing to do work which involves frequent field visits which is commonly attached to officers' work at that level.

4.2.3 Duration of Respondents in the Bank

Table 4.3Duration in the Bank Distribution

Duration in the bank	**Frequency**	**Percent**
Less than 2 years	21	34.4
2-5 years	25	41.0
6-9 years	10	16.4
10 years and above	5	8.2
Total	**61**	**100**

Source: Research Survey data, (2015)

Table 4.3; majority of the respondents (41.0%) have been in the bank for the period of 2-5 years followed by those that have been there for the period of less than 2 years. The remaining percentage is shared between those who have been there for the period of 6-9 years and 10 years respectively.

4.2.4 Branch of Respondents

Table 4.4 Branch Name Distribution

Branch Name	**Frequency**	**Percent**
Kira Rd	11	18.0
City	9	14.8
Kawempe	12	19.7
Nansana	5	8.2
Nateete	7	11.5
Mukono	5	8.2
Kalagi	5	8.2

Gayaza	7	11.5
Total	**61**	**100**

Source: Research Survey data, (2015)

Findings from table 4.4 revealed that majority of the respondents (19.7%) worked at Kawempe branch followed by those at Kira Branch with (18.0%). The remaining percentage was shared amongst City, Nateete, Gayaza, Nansana, Mukono and Kalagi respectively. This is because Kawempe and Kira are some of the oldest branches and as such, have more staff members hence more respondents.

4.2.5 Location of the Branch of the respondents

Table 4.5 Location of the Branch Distribution

Branch Location	**Frequency**	**Percent**
Kampala District	39	63.9
Wakiso District	12	19.7
Mukono District	10	16.4
Total	**61**	**100**

Source: Research Survey data, (2015)

Findings from table 4.5 showed that the branch location of the majority of the respondents (63.9%) is Kampala District followed by those whose branches are located in Wakiso District and Mokono with (19.7% and 16.4%) respectively. This is because Kampala district has the oldest branches, with the busiest areas of operation hence more staff, (respondents).

4.2.6 Maturity of the Branch

Table 4.6 Maturity of the Branch Distribution

Maturity of the Branch	Frequency	Percent
1-3 years	12	19.7
4-6 years	11	18.0
7-9 years	5	8.2
10-12 years	12	19.7
More than 12 years	21	34.4
Total	**61**	**100**

Source: Research Survey data, (2015)

Findings from table 4.6 indicate that a number of the branches have been in existence for the period of more than 12 years followed by those that have been there for the period of 10-12 years and 1-3 years. The remaining percentage is shared by those that have been in existence for the period of 4-6 years and 7-9 years respectively. Branches of more than 12 years had the biggest frequency because as it was explained in table 5, they are the oldest and more in number since business started in Kampala because of its big market.

4.2.7 Category of the Branch

Table 4.7 Category of the Branch Distribution

Category of the Branch	Frequency	Percent
Urban	49	80.3
Semi-Urban	12	19.7
Total	**61**	**100**

Source: Research Survey data, (2015)

Findings from table 4.7 shows that majority of the respondents (80.3%) belonged to urban branches. The remaining percentage of 19.7% belonged to semi-urban branches.

4.3 Descriptive statistics on adaptability

The first objective of the study was to examine the effect of organizational adaptability on business performance. In order to achieve this objective, a five point liker scale with numerical values ranging from 1-5 was used to collect data on organizational adaptability. Therefore the average mean was 3. This indicates that all responses with a mean value above the average mean of 3 accounted for agree whereas all responses with a mean value below the average mean accounted for disagree. The findings for descriptive statistics and Pearson's correlation are shown below;

Table 4.8 Descriptive Statistics for organizational adaptability.

	Items	N	Minimum	Maximum	Mean	Std. Deviation
1	Opportunity Bank's products and services are tailored towards customer preferences	61	1	5	4.0	1.125
2	The organization provides for creativity and innovativeness from staff members.	61	1	5	3.3	1.091
3	The Bank embraces new ideas from and complaints from clients.	61	1	5	3.7	1.101
4	Bench Marking is exercised with the industry by Opportunity Bank.	61	1	5	3.4	1.072
5	The Bank allows 'thoughtful' risk taking during business transactions	61	1	5	3.5	1.149
6	Losses or profits made are seriously considered for learning purposes	61	1	5	3.5	1.149

Source: Research Survey data, (2015).

Products and services are tailored towards customer preferences.

Table 4.8 above show that the respondents agreed that Opportunity Bank tailors, its products and services towards customers' needs and preferences (mean = 4.0) and a standard deviation of 1.125. These findings revealed that the organization tailors its products towards customer preferences. These results were in agreement with Stalk, (1988) who pointed out those organizations are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers.

Organization provides for creativity and innovativeness from staff members.

The same table 4.8 above shows that the respondents were neutral as to whether the Bank provides room for creativity and innovativeness from staff members (mean=3.3) and a standard deviation of 1.091. This implies that the employees are given little or no chance to be innovative and creative. It could be that the creativity is left for a few employees making most employees to be recipients of ideas from one side which prolong the process of buying in to any innovations in the Bank. The Bank need to look at these results in line with Tushman and O'Reilly, (2002) who asserted that cultivating a strong culture has often been viewed as a potential path to aligning employees with an organization's strategic priorities. It was necessary that all employees are encouraged to participate in creativity and innovativeness.

The Bank embraces new ideas and complaints from clients.

The same table above also show that the respondents averagely agreed that the Bank embraces new ideas and or complaints from clients (mean = 3.7) and a standard deviation of 1.101. They embrace their ideas by listening to their suggestions and responding appropriately. This was in agreement with Drucker, 2002 who said that innovation is linked to the concepts of generation, acceptance, and implementation of new ideas, processes, products, services and is determined by the firm's learning orientation.

Benchmarking is exercised within the industry by the Bank.

Table 4.8 also shows that the respondents were relatively neutral concerning the Bank's bench marking in the industry (mean=3.4) and a standard deviation of 1.072. This implies that the respondents were relatively not sure of the Bank's bench marking activities within the industry.

The Bank allows thoughtful risk taking during business transactions.

The table further shows that the respondents relatively agreed that the Bank allows thoughtful risk taking during business during business transactions (mean 3.5) and a standard deviation of 1.149. This suggests that the Banks averagely allows calculated risk taking. Encouraging risk-taking and divergent behavior could help strong-culture organizations avoid becoming overly reliant on organizational routines and failing to learn, two tendencies that are associated with the performance disadvantages of strong cultures (Goncalo and Duguid, 2011). Some have argued that any organization in which high consensus exists undermines creativity, innovation, and adaptability and that maintaining as much heterogeneity in beliefs is much more conducive to innovation (Staw, 2009). The Bank therefore should seriously consider allowing innovativeness through calculated risk taking because it looks at future orientation, creativity and above all it makes staff feel part of the innovativation hence boosting ownership.

Losses and profits made are considered for learning purposes.

The same table also shows that the respondents relatively agreed that the Bank seriously consider losses and profits for learning purposes (mean3.5) and a standard deviation of 1.149. This implies that the Bank relatively embraces organizational learning from different occurances.

These findings were also supported by results from the interviews which indicated that Opportunity Bank is adaptable to her environment with results showing that the Bank asks for feedback from clients on the available services through customer meetings and group leaders' meetings, focus groups, and suggestion boxes and adjust accordingly. They further reported that through surveys and other feedback flat forms, action is taken to respond to customer needs. Another interviewee said that customer complaint registers are put and they are reviewed to address customer complaints for example if the complaint involves staff rudeness, the staff member is reprimanded. Concerning benchmarking, some interviewers reported that the Bank asks both customers and staff what the competition is doing better while others reported that the Bank does benchmarking by hiring experienced staff from the competition.

This is in line with Deter, et al (2000) who said that to operate successfully across cultures, it is important to be able to recognize cultural differences and be adaptable, While Nadler, (1998) said that adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change. Also Stalk, (1988), said that they are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers.

On reviewing the documents, management reports showed that the Bank was considering more ways of serving clients in addition to cell phone banking, and mobile van banking

Therefore, according to the results and the literature it is indicative that if Opportunity bank is to realize improvements in its business performance, it should put more emphasis an adaptable culture in order to ably respond to customer needs and preferences.

4.4 Descriptive statistics on employee involvement in decision making

The second objective of the study was to establish the effect of employee involvement in decision making on business performance In order to achieve this objective, a five point likert scale with numerical values ranging from 1-5 was used. Therefore the average mean was 3. This indicates that all responses with a mean value above the average mean of 3 accounted for agree whereas all responses with a mean value below the average mean accounted for disagree. The findings for descriptive statistics and Pearson's correlation are shown below;

Table 4.9 Descriptive Statistics for employee involvement in decision making.

	Items	**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
1	The Bank's staff members work in teams	61	1	5	3.8	1.152
2	The organization rewards successful teams and individual contribution.	61	1	5	3.7	1.054
3	Staff at all levels of the team openly talk about what is and wasn't working	61	1	5	3.3	1.311
4	Team leadership creates an environment to accomplish activities.	61	1	5	3.6	1.199
5	The Bank trains and coaches new employees concerning their work.	61	1	5	3.9	1.047
6	Poor performers are taken through improvement programs to improve	61	1	5	4.0	1.125

Source: Research Survey data, (2015)

The Bank's staff members work in teams

Findings from table 4.9 show that the respondents agreed to the fact that the Bank's employees work in teams (mean= 3.8) and a standard deviation of 1.152. This implies that the Bank's employees work in teams. This finding is in agreement with Lawler, (1996) who said that effective organizations empower their people, build their organizations around teams, and develop human capability at all levels.

The organization rewards successful teams and individual contribution.

The table 4.9 above also shows that the respondents agreed to the fact that the organization rewards successful teams and individual contribution (mean 3.7) and a standard deviation of 1.054.This implies that success and achievement is rewarded in the Bank on both individual and team basis. The findings relate to Muhammad Anif Khattak et al, (2013) who said that the organization attributes the structural patterns for employees where group working and team based competencies are to be developed which not only remain all of them dynamic, connected and interlinked but also keep them a-paced towards goal orientation and performance improvement.

Staffs at all levels of the team openly talk about what is and wasn't working

Table 4.9 further shows that respondents were neutral as to whether staff at all levels of the team openly talk about what is and wasn't working (mean3.3) and a standard deviation of 1.311. Yet Jyothibabu, Farooq and Pradhan (2010), asserted that inquiry and dialogue promotes thinking collectively and communication which contributes positively to organizational performance.

Team leadership creates an environment to accomplish activities

Furthermore, the respondents averagely agreed that team leadership creates an environment to accomplish activities (mean 3.6) and a standard deviation of 1.199. This implies that their leaders provide a conducive environment which enables the employees to completely handle tasks and activities. Just like Muhammad Anif Khattak et al, (2013) commented, employees need to be empowered for taking initiative and deciding trivial nature matters at their respective work place. Similarly, their capability development would enhance their skill and understanding of the work which would ultimately benefit organization.

The Bank trains and coaches new employees concerning their work

The table further shows that the respondents agreed that the Bank trains and coaches new employees concerning their work (mean 3.9) and a standard deviation of 1.047. The findings suggest that the employees are equipped with appropriate skills and knowledge to handle their tasks. This is in line with Dobbins, (1997) who said that for good team performance members of groups must be collectively trained and this plays an important role in building effective teams.

Poor performers are taken through improvement programs

The table also showed that respondents agreed to the practice that poor performers are taken through improvement programs (mean 4.0) and a standard deviation of 1.125. This implies that the Bank ensures that performance improvement is emphasized and that programs are put in place. The findings are in line with Abernethy and Bouwens, (2005) who asserted that the outcome of performance assessment system will be the job feedback of employees, which by discussing about can increase employees' knowledge and performance. Blackwood, Bryson, Merritt, (2006) who asserted that capability development is not just developing new skills but also developing organization and helps employees in managing their performance levels to achieve organizational and employee objectives. Mathiprakasam, (2003) also said that organizations can’t perform well until their employees’ skills are developed, and for developing employees’ skills organizations need to develop capabilities of employees.

Interviews equally pointed out and indicated that Opportunity Bank embraces involvement in decision making with results showing that the Bank conducts staff satisfaction surveys, conducts management meetings, the suggestions and the ideas from these meetings may be incorporated in the policies and procedures. Whereas most interviewees reported that staff ideas are considered, one respondent said that the ideas and contributions are discouraged since they are advised to go through their line managers. Concerning rewarding of individuals and teams, it was reported that they are rewarded through incentives, bonuses, which others termed as monetary rewards; and also recognitions like photo (portrait) displays of performers, as well as mentioning their names, branches, and teams during staff gatherings and even on mails.

It was also reported that to improve staff performance, poor performing staff are talked to, cautioned on the same, warned and put on performance improvement programs. Others said that they are taken through counseling, support to enable them understand their challenges.

Concerning the issue of allowing staff to participate openly, most respondents mentioned the annual staff gatherings which one respondent referred to as team building activity, though two respondents said that they used to have such sessions for open discussions but not so common of late. In relation to that, a few respondents mentioned the provision of whistle blowing mechanism saying it has provided for staff to openly air out their concerns.

Respondents also reported that they have been able to stay informed on all issues in the Bank through mails, reports, management publications especially on the Bank's website, phone calls, and also through rumors, meetings, and memos.

In response to activities concerning performance enhancement, interviewees reported that they are given targets, taken through performance appraisals, conduct periodic performance meetings, training and mentorship, also one respondent mentioned motivational speeches.

Concerning training and capacity building, respondents said that they are taken through induction (which others referred to as orientation) in different departments, in house trainings, and a few external trainings; they also consult with colleagues and or predecessors where they feel like they got less of the training compared to what they found at work station. A respondent also mentioned delegation by his supervisors.

This is in line with Lawler, (1996) who said that effective organizations empower their people, build their organizations around teams, and develop human capability at all levels.

Reynolds &Ablett, (1998), were in agreement when they said that it supports the rationale that people and not capital provide organizations with a competitive advantage.

This is also related to Katzenberg, (1993); Spreitzer (1995), who said that people at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization.

Also, in support of the above findings, Armstrong et al (1998) stressed that performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

Documentary reviews also showed that management decided to recognize branches which perform well periodically, sometimes quarterly, or twice a year. This was from management reports. Secondly, concerning performance management, management through the human resources department agreed to take steps on performance gaps to achieve performance improvement. Also management agreed that thorough trainings for new employees should be emphasized and observed which even caused the increase in the number of days taken for induction and orientation.

4.5 Descriptive statistics on organization's consistence

The third objective of the study was to establish the effect of the organization's consistence on business performance. In order to achieve this objective, a five point liker scale with numerical values ranging from 1-5 was used. Therefore the average mean was 3. This indicates that all responses with a mean value above the average mean of 3 accounted for agree whereas all responses with a mean value below the average mean accounted for disagree. The findings for descriptive statistics and Pearson's correlation are shown below;

Table 4.10 Descriptive Statistics for organization's consistence.

	Items	N	Minimum	Maximum	Mean	Std. Deviation
1	The organization has core values	61	1	5	4.5	1.058
2	The Bank's core values are known to all of us	61	1	5	4.2	1.442
3	Staff members adhere to the organization's core values.	61	1	5	3.9	1.496
4	Staff members participate in decision making that affect their business line	61	1	5	3.1	1.323
5	Employees ideas are listened to during decision making	61	1	5	3.1	1.328
6	The organization's policies and procedures are clearly laid out.	61	1	5	4.0	1.032

Source: Research Survey data (2015).

The organization has core values.

Table 4. 10 above show that the respondents strongly agreed that the organization has core values (mean = 4.5) and a standard deviation of 1.058. This implies that the Bank's core values are in place.

The Bank's core values are known to all staff members.

The table above further showed that respondents agreed that the Bank's core values are known to them, (mean 4.2), and a standard deviation of 1.442. This implies that the employees know the core values. Block, (1991) asserted that behavior is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view.

Staff members adhere to the organization's core values.

The above table also show that the respondents agreed to the fact that staff members adhere to their core values (mean 3.9) and a standard deviation of 1.496. These findings revealed that employees adhere to the core values which according to literature; it creates leverage and a central source of integration. This is because a core value provides an existence of a common set of values.

Staff members participate in decision making that affect their business

Furthermore, table 4.10 shows that respondents were neutral as to whether they participate in decision making that affect their business line (mean of 3.1) and a standard deviation of 1.323. This implies that staff participation is averagely encouraged at the Bank yet if considered in a bigger way; it makes employees to own up and feel more involved. Juliette summers and Jeff Hyman, (2005) asserted that it is unfortunate, that considerable uncertainty still surrounds the outcomes of participation, especially in terms of contribution to organizational performance especially in terms of identifying direction of causality, as a major weakness to understanding links between employee attitudes, levels of commitment, behavior and company. While Sorensen (2002) theorized that strong cultures lead to consistency in performance by increasing employee consensus and willingness to endorse organizational goals, reducing uncertainty through goal clarity, and increasing motivation. Further, he argued that this social control leads to greater consistency and reliability in performance.

Employee's ideas are listened to during decision making.

Table 4.10 further shows that respondents were neutral as to whether employees' ideas are listened to during decision making (mean 3.1) and a standard deviation of 1.328. This implies that employee's ideas are averagely listened to yet of incorporated, it would create a common mindset and conformity. Senge, (1990) said that this type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity.

Organization's policies and procedures are clearly laid out.

Lastly, the table shows that respondents agreed that the organization's policies and procedures are clearly laid out (mean 4.0) and a standard deviation of 1.032. This suggests that the Bank provided the policies and procedures and they are availed to employees, which boosts integration, coordination and control and also helps the organizations to develop a set of systems that create an internal system of governance based on consensual support.

This generally implies that majority of the respondents agreed that organizational consistency whose attributes include core values, agreement, and coordination and integration is generally embraced at the Bank

This view was also supported by results from the interviews, where respondents said that they are periodically reminded of the Bank's core values through mails, and morning briefs. Others continued to mention that they are displayed in their offices, incorporated them in the appraisals, and they are also tasked to sign attestations after reading and understanding them. A respondent also said that the Transformation Manager sometimes visits them to discuss the core values and that they used to be put on PCs as screen savers.

On staff participation, the interviewees reported that it builds confidence, (which was also mentioned by another respondent), enhances innovativeness, creates a sense of ownership, increases productivity, feel more committed and encouraged to work hard, which improves performance.

The above findings are supported by Block, (1991) who asserted that behavior is rooted in a set of core values, leaders and followers are skilled at reaching agreement even when there are diverse points of view.

This is in agreement with Senge, (1990) who said that this type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity.

With the documentary review, the researcher noted that the core values displayed and periodically sent on mail and also found in the manuals. Concerning the policies and procedures, management minutes and departmental reports showed an effort of reviewing them periodically.

4.6: Descriptive statistics on business Performance

Business Performance was the dependent variable of the study. A five point likert scale with numerical values ranging from 1-5 was used. Therefore the average mean was 3. This indicates that all responses with a mean value above the average mean of 3 accounted for agree whereas all responses with a mean value below the average mean accounted for disagree. The responses were analyzed using descriptive statistics as indicated below;

Table 4.11 Descriptive Statistics on Business Performance

	Items	N	Minimum	Maximum	Mean	Std. Deviation
1	The Bank's improved profitability has been due to changes in culture	61	1	5	3.5	1.074
2	Profitability at Opportunity Bank is due to improved staff involvement	61	1	5	3.7	1.191
3	The Opportunity Bank's customers are satisfied with our services	61	1	5	3.7	0.964
4	A growing customer base has been realized due to our innovativeness	61	1	5	3.8	1.041
5	The Bank realized an increase of return on equity due to its culture	61	1	5	3.4	1.117

Source: Research Survey data (2015)

Profitability has been due to changes in culture

Table 4.11 shows that the respondents relatively agreed to the statement that the Bank's profitability has been due to changes in culture (mean 3.5) and a standard deviation of 1.074. This implies that the Bank's profitability has been contributed to by changes in culture.

Profitability at the Bank is due to improved staff involvement

Table 4.11 further shows that respondents agreed that the Bank's profitability is due to improved staff involvement (mean 3.7) and a standard deviation of 1.191. This suggests that the attempts to improve staff involvement have resulted in positive changes in profitability.

Customers are satisfied with the Bank's services

Furthermore, the table showed that respondents agreed to the fact that the customers are satisfied with the Bank's services (mean 3.7) and a standard deviation of 0.964. This implies that most of the Bank's customers' satisfaction goals were exceeded.

A growing customer base has been realized due to their innovativeness

Table 4.11 further shows that the respondents were in agreement as to whether the growing customer base was realized due to the Bank's innovativeness, (mean 3.8) and a standard deviation of 1.041. This implies that the Bank's innovativeness contributed to increase in customer base. Bueschgens et al, (2010) said that cultures emphasizing these norms and values can enhance organizational innovation and adaptation in the marketplace hence a growth in number of customers.

Increased return on equity was due to its culture

Table 4.11 also shows that the respondents averagely agreed that the Bank's increase of return on equity was due to its culture (mean 3.4) and a standard deviation of 1.117. The findings suggest that culture improvements had positive effect on the organization's returns which make performance within the organization to become better.

The above findings were also confirmed by the interview respondents who said that the Bank has ensured customer satisfaction through organizing meetings with them for example the group leaders' meetings, school owners' meetings, focus groups and customer surveys. Another respondent also added that customer complaints registers, whistle blowing mechanisms displayed for all, phone contacts for high ranking officials in the Bank are also displayed in places where customers are served. This is done with an intension of encouraging customers to express themselves concerning their satisfaction from the Bank's services.

Concerning profitability, the interviewees reported that the relaxed attitude was dropped and so, more income is realized from loan disbursements, and transactional activities, improved processes for better customer services, emphasized cost optimization, increased commitment led to increased profitability.

Another respondent mentioned improved turnaround time, transparence processes, direct feedback from clients through customer days, surveys on customer satisfaction and immediate feedback given to customers on outstanding issues by the Bank. Variety of products offered, and lower interest rates are the other ways reported to be done to ensure customer satisfaction. Reprimand of staff with poor customer care was also mentioned.

In support of the above findings, Chen (2004), asserted that understanding of customer satisfaction level may help a company to enhance their customer services. It is accepted that satisfied customers recommend their friends and relatives to use the respective services and products.

This is in line with Cochran (2003), where he said that profits and revenues are nothing more than the results of fulfilling customers' expectations and needs. Customer satisfaction may impact the upcoming reactions of customers such as readiness to repurchase, willingness to refer and willing to pay more price without searching cheaper suppliers.

A similar view by Anderson, *et al.*, (2004) stated that over long life expectancy of customers, they may increase their expenses annually because highly satisfied customers should have higher profitability through higher annual revenue.

The above interview findings were also supported by Hill, (1996) who focused on the fact that customer satisfaction is a perceptions and the specific information about satisfaction is not easily available. So, additional efforts are necessary to collect measure and analyze the perceptions of customer satisfaction.

Vavra (2002) also supported the above when he stated that customer may get satisfaction with overall product and services of the company, departments and representatives of the company, particular performance of the product, organizational transactions like presentations of sales, delivery of goods, post purchase visits, complaints handling, and the pre-purchase and post-purchase link produced by a company with their valuable customers.

Siminica M. (2008:108) appreciates that "an enterprise is performing when it is at the same time *efficient* and *effective.* Therefore the performance is a function of two variables, efficiency and efficacy. While efficacy reflects the achievement of external expectations, efficiency is measured by the achievement of internal environment of a firm".

The documentary review of financial reports for 2014 and 2015 January to end of July showed an improved performance compared to the prior year. In relation to customer satisfaction, the most recent customer satisfaction survey showed an improved position which supports the finding in table 4.11 above.This looked at the Bank's customers being satisfied with its services where respondents agreed.

4.7 Correlation Analysis

In order to determine the effect that the dimensions of the independent variable have on the dependent variable, the study had to conduct correlation analysis for each one of the specific objectives.

The following were the findings:-

4.7.1 Relationship between organizational adaptability on business Performance

To test the relationship between adaptability and business performance, Pearson's correlation analysis was conducted on a 2-tailed level and the findings are presented below.

Table 4.12: The correlation between organizational adaptability and business performance

Table 4.12 Correlation between organizational adaptability and business performance		Organizational Adaptability	Business Performance
Organizational Adaptability	Pearson Correlation	1	.604**
	Sig. (2-tailed)		.000
	N	61	61
Business Performance	Pearson Correlation	.604**	1
	Sig. (2-tailed)	.000	
	N	61	61

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Survey data, (2015).

From table 4.13; findings show that there is a positive and significant correlation ($r = 0.604$, $p \leq 0.01$) between Organizational Adaptability and Business Performance. This implies that Organizational Adaptability is one of the significant determinants of Business Performance. This also means that organizational adaptability is one of the determinants of business performance. The implication is that organization's business performance depends on the extent to which they undertake to embrace and implement adaptability. The study findings on the relationship between organizational adaptability and business performance of institutions to a great extent relates to previous studies such as a study by Akhtar et al. (2012) who noted that the dimensions of organizational learning, and innovation forms part of the dimension of organizational performance and that they had positive impact on the same, namely inquiry and dialogue and systems connection. Supported by Jyothibabu, Farooq and Pradhan (2010), inquiry and dialogue promotes thinking collectively and communication which contributes positively to organizational performance. Additionally, systems connection had a similar impact on organizational performance as employees were found to be well-versed internally and externally with their surrounding environments and were able to establish link between the two environments. It helps to enhance responsiveness to both internal and external environments, keep the employees minds adaptable to both which increase a customer focused atmosphere. From the study findings, observations and also basing on the prior studies therefore, this study inferred that organizational adaptability greatly contributes to business performance and progress of institutions.

4.7.2 Relationship between employee involvement in decision making on business performance

To test the relationship between employee involvement and business performance, Pearson's correlation analysis was conducted on a 2-tailed level and the findings are presented below.

Table 4.13 Correlation between employee involvement in decision making and business performance.

		involvement in decision making	Business Performance
involvement in decision making	Pearson Correlation	1	.699**
	Sig. (2-tailed)		.000
	N	61	61
Business Performance	Pearson Correlation	.699**	1
	Sig. (2-tailed)	.000	
	N	61	61
*. Correlation is significant at the 0.01 level (2-tailed).			
Source: Research Survey data (2015).			

From table 4.13; findings show that there is a positive and significant correlation ($r = 0.699$, $p \leq 0.01$) between involvement in decision making and Business Performance. This further reveals that employee involvement in decision making is one of the determinants of Business Performance. The implications of this is that institutions' business performance depends on the extent to which those institutions embrace the good practices of team orientation and capacity development which are major attributes in employee involvement in decision making. These study findings on this relationship greatly relate to Muhammad Arik Khattak et al, (2013) who said that worker participation shows that each worker is a different person, not just a component in a mechanism, and every worker is concerned in serving the business to get together its objective.

Concerning capacity development, the study findings related to Blackwood et al, (2006) who defined it as a skill to achieve objectives and to perform tasks and also added that capability development is not just developing new skills but also developing organization and helps employees in managing their performance levels to achieve organizational and employee objectives. Ability development helps organization to compete in markets and also helps employee to develop their skills and improve their knowledge. They continued to say that Organizations can't perform well until their employees' skills are not developed, and for developing employees' skills organizations need to develop capabilities of employees. This helps in the quality of decisions made in that developed skills have a high possibility of good ideas and contributions which in turn lead to better decision making. From the study findings, observations and also basing on the prior studies therefore, this study inferred that employee involvement in decision making significantly contributes to business performance and progress of institutions.

4.7.3 The relationship between organizational consistency on business Performance

To test the relationship between organizational consistency and business performance, Pearson's correlation analysis was conducted on a 2-tailed level and the findings are presented below.

Table 4.14 Correlation between organizational consistency on business Performance

		Organizational consistency	Business Performance
Organizational consistency	Pearson Correlation	1	.520**
	Sig. (2-tailed)		.000
	N	61	61
Business Performance	Pearson Correlation	.520**	1
	Sig. (2-tailed)	.000	
	N	61	61
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Research Survey data (2015).

From table 4.15; findings show that there is a positive and significant correlation ($r = 0.520$, $p \leq 0.01$) between organizational consistency and business Performance. This implies that consistency is one of the determinants of business Performance. This suggests that financial institutions' business performance depends on the extent to which they embrace organizational consistency and all its attributes.

The study findings on the relationship between consistency and business performance relate to ALamberg, (2009) who proposed that inappropriate level of strategic consistency is a necessary condition for firm survival. They also added that that a level of strategic consistency reflects the causal pathway that relates competitive actions to long-term organizational survival and managers can use it to fine-tune patterns of competitive behavior.

From the study findings, observations and also basing on the prior studies therefore, this study inferred that organizational consistence contributes to business performance and progress of institutions.

Based on the study findings above, the determined effect that the dimensions of the independent variable have on the dependent variable, conducted through correlation analysis, are summarized as follows; Organizational adaptability on business performance was positive and significant at($r = 0.604$, $p \leq 0.01$), employee involvement in decision making on business performance was positive and significant at ($r = 0.699$, $p \leq 0.01$), while organizational consistence on business performance was at ($r = 0.520$, $p \leq 0.01$).

From the above correlation analysis therefore, the study revealed the effect which dimensions of the independent variable have on the dependent variable. It showed that the effect was more generated from employee involvement in decision making which was positively and significantly at($r = 0.699$, $p \leq 0.01$) on business performance compared to adaptability and consistence.

4.8 Regression Analysis

The multiple regression technique was used to reveal the extent to which organizational culture traits of adaptability, involvement in decision making, and consistency predict the variance in business performance among financial institutions.

The regression results were also used to test the study hypothesis and the results are presented below.

Multiple Regression Analysis Model

Table 4.15 Multiple Regression Analysis Model

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.718[a]	0.516	0.491	0.516
Coefficients	**Unstandardized coefficients**	**Standardized coefficients**	**F**	**Sig**
Constant	0.980		20.267	0.016
Adaptability of the organization	0.212	0.189		0.171
Employee involvement in decision making	0.442	0.509		0.001
Organizational Consistency	0.081	0.089		0.474

Based on the model (table 4.16), it can be explained that the independent variables (Adaptability of the organization, Employee involvement in decision making and Organizational consistency) explain the variations in the dependent variable (Business

Performance) by (Adjusted R Square = 0.491 * 100) which is 49.1%. This implies that the balance (100 – 49.1% = 50.9%) can be explained by variables not examined in this study.

In addition, based on the analysis of the coefficients of Beta (table 4.16), Adaptability of the organization explains a positive variations on Business Performance with a value of (0.189). Likewise employee involvement also explains a positive variation on Business Performance with a value of (0.509). Similarly organizational consistency also explains a positive variation on Business Performance with a value of (0.089). Therefore they all positively affect Business performance; however employee involvement in decision making has the greatest effect on business performance as compared to adaptability of the organization and organizational consistency respectively. This is by 0.509, followed by organizational adaptability of 0.189, then consistence by 0.089, since it showed the highest standardized Beta coefficient.

The researcher attempted to identify the other variables not examined in this study were covered by 50.9% and were mentioned as below, though not limited to the following;

Corporate governance practices used by the institution, distribution networks, outreach, leverage levels of the institution, sustainability, inflation rates, growth of the informal sector, donor subsides and support, access to capital, capitalization requirements, management information systems, product diversity, interest rates, external intervention, liquidity of the institution, operational costs, existence of a financial market, risk management practices, and education levels of the staff and human expertise among others.

The regression table above revealed the extent to which organizational culture traits of organizational adaptability, involvement in decision making, and consistency influence business performance. It showed that employee involvement in decision making influence business performance most in financial institutions.

4.9 Conclusion

In this chapter, data was collected using questionnaires and interview guide and was analyzed, presented and discussed using descriptive statistics, correlation analysis and regression analysis.

The above findings from the collected, presented, analyzed and discussed data infer to the study that organizational culture influence business performance. Any efforts geared towards improving all the organizational culture traits which include adaptability, involvement and consistence will significantly contribute to the desired business performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, conclusions and recommendations of the study, objective by objective based on the study findings and discussions. The first section presents the summary of the study findings, followed by the conclusions and recommendations of the study findings.

5.1 Summary of the Findings

5.1.1 The effect of Adaptability of the organization on the Business Performance

Findings from the descriptive statistics (table 4.8) indicate that adaptability of the organization influences the Business Performance (overall mean = 3.7). Likewise findings from the correlation analysis (table 4.9) also revealed that there is a positive correlation between adaptability of the organization and the Business Performance which is significant at 0.01 level ($r = 0.604$, $p \leq 0.01$). The study found out that the Bank is adaptable to her environment with results showing that the Bank asks for feedback from clients through customer meetings (group leaders' meetings), focus groups, and suggestion boxes and adjust accordingly. They also conduct surveys and other feedback flat forms, they use customer complaint registers, staff members are reprimanded on poor customer care. They also benchmark by asking customers and staff on what the competition is doing better, also by hiring experienced staff from the competition.

However, the in some areas of adaptability, especially innovativeness, lower end staff expressed little contribution to innovativeness since some of their ideas have go through a line of supervisors and managers. They claimed that most innovations come from senior management team members and majorly the marketing department.

5.1.2 The effect of Employee involvement in decision making on Business performance

Findings from the descriptive statistics (table 4.10) indicate that Employee involvement in decision making influences Business performance (overall mean = 3.8). Similarly, findings from the correlation analysis (table 4.11) revealed that there is a positive correlation between Employee involvement in decision making and Business Performance which is significant at 0.01 level ($r = 0.699$, $p \leq 0.01$). Opportunity Bank embraces involvement of staff in decision making, the results showed that the Bank conducts staff satisfaction surveys, conducts management meetings, rewarded through incentives, bonuses, (monetary rewards) and other ways recognition during staff gatherings and on mails. To improve staff performance, poor performing staff members are talked to, cautioned on the same, warned and put on performance improvement programs, counseling, and general support. For performance enhancement, staff members are given targets, taken through performance appraisals, conduct periodic performance meetings, training and mentorship, and motivational speeches. Concerning training and capacity building, they are taken through induction, in house trainings, and a few external trainings and also delegation by his supervisors.

Staff can openly participate, in annual staff gatherings, and whistle blowing mechanism and stay informed through mails, reports, management publications especially on the Bank's website, phone calls, and also through rumors, meetings, and memos.

However, some staff members expressed concern that such sessions for open discussions are no longer availed and also that some of their ideas may be ignored. Some also mentioned that the induction they got was insufficient in relation to the work they were meant to do.

5.1.3The effect of Organizational Consistency and Business Performance

Findings from the descriptive statistics (table 4.12) indicate that Organizational Consistency influences the Business performance (overall mean = 3.7). Likewise findings from the correlation analysis (table 4.13) also revealed that there is a positive correlation between Organizational Consistency and Business Performance which is significant at 0.01 level ($r = 0.520$, $p \leq 0.01$). In this, the findings showed that the Bank periodically reminds its staff of its core values through mails, morning briefs, displays in offices, in appraisals forms, reading and attestations, and Transformation Manager's visits to different offices to discuss the core values.

Staff participation builds confidence, enhances innovativeness, creates a sense of ownership, increases productivity, feel more committed and encouraged to work hard, which improves performance. However, reminders of core values on the screen savers were stopped yet its one of the sure ways of causing staff to always look at them and refer to them in case of any immediate need to do so.

5.2 Conclusions

This study infers that organizational culture has a significant relationship with business performance of financial institutions and any efforts directed to strengthening organizational culture in financial institutions will significantly contribute to attainment of the desired business performance.

Traditionally organizational culture and business performance drivers such as value, growth, innovation, and cost and customer satisfaction have been studied independently for organizational success. The results of this study indicate that they are strongly associated with each other and should be complimentary.

Using correlation analysis, involvement of employees in decision making ranked the highest compared to adaptability and consistence which implies that significantly influence business performance. If this trait is given more effort and attention, institutions can greatly benefit from its already mentioned benefits.

With regression analysis still, involvement of employees indecision making ranked the highest compared to adaptability and consistence respectively. This further confirms that involvement of employees greatly and significantly influences business performance.

On the contrary, consistency in table 4.12 under descriptive statistics, ranked high compared to adaptability and involvement which means that among the traits, it also contributes to business performance because majority of the respondents agreed that organizational consistency influence business performance.

Overall, there is a strong view in the findings that organizational culture lead to increased organizational performance as per the findings mentioned above.

5.3 Recommendations

Basing on the results of the study, it is recommended that in order to get the desired level of business performance in financial institutions, the following interventions among others, should be undertaken:-

Make forums more frequent where staff can air out their views more frequently without fear of being black listed. This encourages openness and contribution of better ideas which also increases ownership of all activities in the institution.

Since core values are very instrumental in focusing and re-focusing staff, they should be emphasized through avenues like screen savers and also organize sessions in form of quiz where staff members are encouraged to win. As they compete, they learn more and get more equipped with each one of them.

The Bank should utilize the many youthful employees to boost innovativeness and creativity since they are represented by the biggest number of 63% for age bracket 24 – 29, and 21% for age bracket 30 - 35 years of age. This is a vibrant age group with a lot of creative ideas which bring about uniqueness hence increasing customer royalty.

Training of new employees should be done thoroughly well so as to avoid any room for knowledge gaps. This is because capacity building is an important component under staff involvement and in a business environment, it greatly enhance performance which is much desired in all institutions especially financial institutions.

Organization's policies and procedures should be well laid down to clearly stipulate the culture to be followed. This helps to incorporate the culture into the business activities which acts as a reminder thereby boosting performance at every stage.

Encourage more teamwork which boosts team spirit and get work done faster and efficiently hence improved business performance.

Consider any losses or shortfalls as a learning point and a call to improve other than a point of fault finding time.

Since consistency came out more pronounced compared to other traits, it is recommended that while looking at organizational culture improvement emphasis should be put on it.

5.4 Suggestions for further research

The study found out that a combination of adaptability, involvement and consistency traits of organizational culture are part of what contributes to business performance the other trait of mission was not considered. So, other studies need to examine the influence of the organization's mission on its performance. Financial institutions broadly do business in two dimensions; provision of products and services to its clients, and secondly, do financial intermediation and risk management. Other studies should also examine the influence of financial intermediation and or risk management on their performance.

Consistency is another area which need to be considered for further studies because among the organizational culture traits, it seemed to have less attention from the researchers compared to other traits.

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APPENDICES

APPENDIX I: ORGANIZATIONAL CULTURE AND BUSINESS PERFORMANCE OF FINANCIAL INSTITUTIONS.

QUESTIONNAIRE:

UGANDA MARTYRS UNIVERSITY

The purpose of this questionnaire is to understand the effect of organizational culture on the performance of financial institutions. You have been selected to participate in this study due to the importance of your information in the study. The information you provide will only be used for purpose of this study and will be treated with utmost confidentiality. Please feel free to answer all the questions truthfully.

Thank you for your time.

SECTION A: Demographic Data (Key background characteristics)

Code	Statements	Response Codes
DDR	**Demographic Data of Respondent: [Please do not indicate the name]**	
DDR1	**Position held.** ***(Circle the appropriate Response Code.)***	**Response Code**
	Officer	A
	Supervisor	B
	Manager	C
	Other (**Mention**)	D
DDR2	**Age group of Respondent.** ***(Circle the appropriate Response Code.)***	**Response Code**
	18 – 23 yrs.	A
	24 – 29 yrs.	B

	30 – 35 yrs.	C
	36 – 41 yrs.	D
	Above 41 yrs.	E
DDR3	**Duration in the Bank.** ***(Circle the appropriate Response Code.)***	**Response Code**
	Less than 1yr.	A
	2 – 4 yrs.	B
	5 – 7 yrs.	C
	8 – 10 yrs.	D
	More than 10 yrs.	E
Code	**Statements**	**Response Codes**
DDB	**Demographic Data of Branch.**	
DDB1	**Name of the branch.** ***(Circle the appropriate Response Code.)***	**Response Code**
	Kira Rd	A
	City	B
	Owino	C
	Kawempe	D
	Nansana	E
	Nateete	F
	Mukono	G
	Kalagi	H
	Gayaza	I
DDB2	**Location of the Branch** ***(Circle the appropriate Response Code.)***	**Response Code**
	Kampala district	A

	Wakiso district	B
	Mukono district.	C
DDB3	**Maturity of the Branch.** ***(State the appropriate Age/ Years.)*** For how long has the branch been in existence?	**Age / Years**
	1 - 3yr.	A
	4 – 6 yrs.	B
	7 – 9 yrs.	C
	10 – 12 yrs.	D
	More than 12 yrs.	E
DDB4	Category of Branch. ***(Circle the appropriate Response Code.)***	**Response Code**
	Urban	A
	Semi- urban	B

	Please indicate the appropriate response code to the following statements, where: $\boldsymbol{Stronglydisagree = 1; disagree = 2; undecided\ = 3; Agree = 4; Stroglyagree = 5}$ **SECTION A: Adaptability of the organization and its business performance.**					
1	**Statements** ***(Tick the appropriate Response Code)***	**Response Codes**				
ABP (i)	Opportunity Bank's products and services are tailored towards customer preferences	1	2	3	4	5
ABP(ii)	The organization provides for creativity and innovativeness from staff members.	1	2	3	4	5
ABP(iii)	The Bank embraces new ideas from and complaints from clients.	1	2	3	4	5
ABP(iv)	Bench Marking is exercised with the industry by Opportunity Bank.	1	2	3	4	5
ABP(v)	The Bank allows 'thoughtful' risk taking during business transactions	1	2	3	4	5
ABP(vi)	Losses or profits made are seriously considered for learning purposes	1	2	3	4	5

SECTION B: Employee involvement in decision making and business performance.

Code	**Statements**	**Response Codes**				
EDB (i)	The Bank's staff members work in teams	1	2	3	4	5
EDB(ii)	The organization rewards successful teams and individual contribution.	1	2	3	4	5
EDB(iii)	Staff at all levels of the team openly talk about what is and wasn't working	1	2	3	4	5
EDB(iv)	Team leadership create an environment to accomplish activities.	1	2	3	4	5
EDB (v)	The Bank trains and coaches new employees concerning their work.	1	2	3	4	5
EDB (vi)	Poor performers are taken through improvement programs to improve	1	2	3	4	5

SECTION C: Organizational consistency and business performance.

Code	**Statements**	**Response Codes**				
OCB(i)	The organization has core values	1	2	3	4	5
OCB(ii)	The Bank's core values are known to all of us	1	2	3	4	5
OCB(iii	Staff members adhere to the organization's core values.	1	2	3	4	5
OCB (iv)	Staff members participate in decision making that affect their business line	1	2	3	4	5
OCB(v)	Employees ideas are listened to during decision making	1	2	3	4	5
OCB(vi	The organization's policies and procedures are clearly laid out.	1	2	3	4	5
2	**Business performance of Opportunity Bank *(Tick the appropriate response Codes.)***	**Response Codes**				
BPO(i)	The Bank's improved profitability has been due to changes in culture	1	2	3	4	5
BPO(ii)	Profitability at Opportunity Bank is due to improved staff involvement	1	2	3	4	5
BPO(iii)	The Opportunity Bank's customers are satisfied with our services	1	2	3	4	5
BPO(iv)	A growing customer base has been realized due to our innovativeness	1	2	3	4	5
BPO(v)	The Bank realized an increase of return on equity due to its culture	1	2	3	4	5
3	**Central Bank's influence *(Tick the appropriate response Codes.)***	**Response Codes**				
CB (i)	The central Bank's provisioning policies impacts on Opportunity Bank's business profitability.	1	2	3	4	5
CB (ii)	The regulators' governance guidelines affect Opportunity Bank's business performance.	1	2	3	4	5

Thank You for Your Quality Time Offered By Completing This Questionnaire.

END

APPENDIX II: INTERVIEW GUIDE FOR SELECTED BANK EMPLOYEES

1. Describe Opportunity Bank's culture
2. What do you do to ensure that your Bank responds to customer needs and preferences?
3. How does the Bank encourage staff members to embrace innovativeness?
4. Explain the procedure of handling customer complaints and concerns
5. Describe the various ways in which Opportunity bank bench marks best practices?
6. What is the bank's response on creativity/ innovativeness which results into losses?
7. How are staff's ideas and suggestions handled in Opportunity Bank?
8. How does the organization handle shortfalls on any targets?
9. Describe the ways which are used to reward individuals/ teams for good performance.
10. In case of poor performance, what are the steps taken in redeeming the situation?
11. Which mechanisms have been put in place to allow all staff to participate openly?
12. As an employee, how have you been able you stay informed on all issues in the bank?
13. In which ways were you trained and prepared for your work?
14. How your performance is enhanced, which activities are carried out to do so?
15. What has the bank done to ensure that its core values a known by all staff?
16. How has staff participation enhanced business performance in the bank?
17. How has culture change impacted on the bank's profitability?
18. In which ways has the bank attended and ensured customer satisfaction?

19. How the central bank influenced the bank's business using its provisioning policies?
20. What is your comment on the central bank's governance guidelines for the bank?

Thank you for your participation.

APPENDIX III: RESULTS FROM THE RELIABILITY TEST CONDUCTED.

Reliability results summary

SCALE: ALL VARIABLES

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Total No of Items
.847	.868	31