

**CORPORATE CULTURE AND PERFORMANCE OF KENYA
COMMERCIAL BANK**

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**Thesis submitted in partial fulfillment of the requirements for the Degree of Master
of Business Administration (Strategic Management Option) of Masinde Muliro
University of Science and Technology**

October, 2023

DECLARATION

This Thesis is my original work prepared with no other than the indicated sources and support and has not been presented elsewhere for a degree or any other award.

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CERTIFICATION

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DEDICATION

I dedicate this work to my loving wife Jacqueline and my children Bessie and Shanessa for their support and understanding throughout my studies.

ACKNOWLEDGEMENTS

To the almighty God for having given me good health and the strength particularly during the period of study and writing of my thesis. To my parents and family for giving me both material and moral support throughout this study period and encouraging me to complete the study.

To my current employer KCB Group, for giving me the opportunity and resources to pursue my education further. For encouraging personal development and creating the right environment for the study. For allowing me to carry out the study within the Bank. To my financiers KCB Bank for providing the resources I required for the study. Without their support I could have struggled to raise funds to complete the Study. To Nzoia Sugar Company for providing training facilities and for opening the door for Masinde Muliro University to open a Study Centre within the company premises. For providing the financial support to enable several employees in the company including myself to have an opportunity to start the MBA programme. Without Nzoia Sugar Company, starting the programme, it could have been a challenge due to the distance to the University and by virtue of the students being fulltime employees.

To my supervisors Dr. Wanjere and Dr. Oseno, for their valuable guidance, support, and dedication throughout the period of study. For the encouragement to continue and complete the study. To all my colleagues and friends for their encouragement and moral support.

ABSTRACT

Over the last seven years, Kenya Commercial Bank (KCB) management has initiated various restructuring processes such as “moving from good to great” positioning strategy rebranding tactic, value concerns and behavior reassessment. These restructuring strategies are meant to place the financial institution as the market leader in the banking industry not only in Kenya but also yearning to become a Pan African Bank. Indeed, the bank has demonstrated strength in branch network accounting for 359 branches, an asset base of Ksh 1.1 trillion as at 2021 financial results as well as significant market share command of 22.5million customers. However, the human effort applied in explaining the milestone achievements cannot go unnoticed especially the corporate culture of the bank employees operationalized along involvement culture, consistency, adoptability and mission cultures. Therefore, the objective of this paper was to interrogate the implication of corporate culture on the performance of Kenya Commercial Bank. The paper employed qualitative and quantitative research design. Qualitative data was analyzed by use of descriptive statistics such as total score, percentages, and frequencies. Quantitative data was analyzed by use of Pearson Correlation and regression analysis. Primary data was collected using structured questionnaire and interview guide targeting senior management and workers representatives. Data was analyzed using Pearson regression and Correlation analysis. The finding was that corporate culture, had positive and significant effect on the of Kenya Commercial bank performance. There were positive and significant correlations between performance and involvement culture ($r=0.584$, $p<0.01$), Consistency culture ($r=0.541$, $p<0.01$), Adaptability culture ($r=0.566$, $p<0.01$), Mission Culture ($r=0.576$, $p<0.01$) and Organization factors ($r=0.517$, $p<0.05$). The findings suggest that a combination of cultural attributes and effective organizational factors plays a crucial role in determining an organization's performance. Based on the findings, the paper recommends that there should be relevant activities undertaken by the bank to promote corporate culture because it has a positive influence on the performance of the bank; and that organizations should consistently apply the various aspects of corporate culture at the strategic, functional and operational levels.

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ABBREVIATIONS AND ACRONYMES

ATM	Automated Teller Machine
ANOVA	Analysis of Variance
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
KCB	Kenya Commercial Bank
MMUST	Masinde Muliro University of Science and Technology
NACOSTI	National Commission for Social Science Technology and Innovation
OP	Organization Performance
POS	Point of Sale
POLC	Planning Organizing Leading Controlling
ROI	Return on Investment
SPSS	Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF TERMS

- Adaptability culture:** This refers to state of withstanding the customs of an organization driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change.
- Consistency Culture:** This refers to being procedural and continuous organizational operations. This leads to organizational performance.
- Corporate Culture:** This refers to a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems.
- Involvement Culture:** Involvement refers to the employee participation in decision making and problem solving and increase autonomy in work processes. As a result, employees are expected to be more motivated, more committed, more productive, and more satisfied with their work.
- Mission Culture:** This refers to the successful organization that has 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.

Organizational factors:

This refers to organizational structure, environment as well as leadership styles.

Organizational performance:

This refers to the actual output or results of an organization as measured against its intended outputs or goals and objectives. Is the execution or accomplishment of work, tasks or goals to a certain level of desired satisfaction

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

There are many factors which enhance or undermine performance of an organization. Some of these factors include motivation of staff, attitude of workers, rate of adoption of emerging technology, innovation, strategy implementation, competition, and corporate culture. Corporate culture has been singled out as a key factor with the potential to undermine or enhancing performance and therefore, there may be a close relationship between an organization's culture and its performance. According to Schein (2017) Culture matters because decisions made without awareness of the corporate cultural forces may have unanticipated and undesirable consequences. However, researchers have underestimated the extent to which culture contributes to the performance of an organization, as an asset or a liability as well as the explanatory construct underlying numerous organizational phenomena.

Marketer (2015) states that, studies have shown that organizational culture has a direct impact on other vital performance outcomes of any organization, including customer satisfaction and business growth. Therefore, organizational culture is consistent across a wide spectrum of businesses and industries, from education institutions, churches, automotive sales and service and fast-food retailing to home construction and computer manufacturing. Corporate culture may significantly influence an organization's bottom line because culture is clearly an important ingredient of effective organizational

performance. Thus, this paper was keen on exploring Kenya Commercial Bank's business success by examining its corporate culture as a major ingredient.

The banking industry at the global, regional, and local levels has experienced many challenges including rapid changes, aggressive competition, technology, ever changing customer requirements, and globalization in a very unpredictable and unstable business environment. Therefore, corporate culture has been identified as a key factor which can guarantee sustained competitive advantage. This may be as well as associated in the banking industry since banks offer similar products and therefore there is a possibility that a strong corporate culture can facilitate competitive advantage. Stiff competition has characterized the Kenyan Banking Industry Environment in the past fifteen years. The industry consists of 39 banks offering various types of financial services (CBK, 2021).

According to Kandula (2016) the key to good performance is a strong culture. In view of the foregoing, due to the difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Armstrong (2016) argues that embedded culture exerts considerable influence on organizational behavior and therefore performance.

Kenya Commercial Bank, the largest commercial bank in East and Central African by assets has evolved and adjusted continuously to the environment over the last ten years, moving from a loss-making organization, reporting a loss of Kshs 3 billion in 2000 to profit making organization reporting a profit of Kshs. 19.6 billion after tax in 2021 (Annual Financial Reports 2000 - 2021). During this time, KCB employed various strategies to facilitate attainment of competitive advantage. Among the strategies instituted involve a new IT platform which was introduced in 2007 to facilitate the launching of new products like internet and mobile banking targeting new market segments previously served by the competitors. In addition, new partnerships and new frontiers of competition like Agency and Micro Banking were opened to widen the market scope and reach for KCB. Thus, it is vital to note that an organization can come up with plans and strategies but unless they are consistent with the prevailing corporate culture, no meaningful success may be achieved. Therefore, the overall objective of this study was to investigate the effect of corporate culture in the performance of KCB.

1.1.1 Kenya Commercial Bank

KCB was established in 1976 when the Kenya Government acquired 100 percent shareholding in the then National and Grind Lays Banks (KCB 2023). The motive behind this was to make it easier for the locals to access credit facilities. Since then, a number of capital restructuring has occurred with the government shareholding standing at 17 percent as of 2010 while the public shareholding accounting for 83 percent. Competition in the banking industry is identified as a major causal factor of the strategic changes the financial institution has gone through. For example, changing from

government owned to private hands was a strategy to make the bank more competitive through development of a sustainable corporate culture.

As of 2021 financial results the bank had an asset base of Ksh. 1 trillion with over 359 branches, 1,104 ATMs, as well as 23,460 point of sale. The bank has also partnered with Pesa Point to provide more channels for customers to access their funds. Other channels available to customers include Mobile Banking, Internet Banking and Agency Banking.

The bank offers corporate, retail and mortgage banking products to about 25.2 million clients across six countries in African; Kenya, Uganda, Tanzania, South Sudan Republic, Rwanda and Ethiopia. The market segment for each of the products is from corporate market, small and medium enterprises, micro enterprises market, as well as individual customers (KCB 2020).

The recent restructuring strategy of the banks being “moving from good to great” was aimed at positioning the bank on its quest to become a Pan African Bank which may only be realized with the inculcation of positive corporate culture among other strategies. Therefore, this paper interrogated the effect of corporate culture on the performance of Kenya Commercial Bank.

1.2 Statement of the Research Problem

Financial institutions especially the depositing taking ones operate in a very competitive environment across the globe. This has seen these institutions adopt different strategies in order to edge their competitors such as adoption of technology, transformation

leadership, strategic partnerships, rebranding strategy as well as corporate culture strengthening. Anzar, (2003) asserts that the prevailing culture of an organization distinguishes good entities from bad ones and provides a high degree of organizational performance; quality of service, customer satisfaction as well as product quality directly relates to a strong corporate culture.

O'Reilly (2017) says that “Ford attempted three turnaround efforts over the last 15 years. Two of them failed abysmally. This last one, under Mulally, finally worked.” Mulally succeeded because he attacked “the root of the problem: Ford’s corporate culture.”, In an eleven-year study of 207 large organizations, Kotter and Heskett (2016) in their book *Corporate Culture and Performance* demonstrate that there is a positive effect of an adaptive culture on performance. KCB has evolved and adjusted continuously to the environment over the last ten years, moving from a loss-making organization, reporting a loss of Kshs. 3 billion in 2017 to profit making organization reporting a profit of Kshs. 19.6 billion after tax in 2021 Annual Financial Reports (2013 – 2021). This provides an interesting area of study on the linkage between Kenya commercial bank’s business success and corporate culture.

Since the year 2010, KCB has realized better performance in her operations as demonstrated in her significant asset base, branch network, market share, top notch technology adoption and treasury management (CBK, 2010). In view of the foregoing a number of interesting questions arise; does the financial institution ride on the corporate culture in explaining her performance? To what extent are involvement culture,

consistency, adoptability and mission cultures associated with bank's performance? This study is interested in answering these questions by interrogating the effect of corporate culture on the performance of the KCB.

1.3 Objectives of the study

The study objectives were divided into two, overall objectives and specific objectives.

1.3.1 Overall Objective

The overall objective of this study was to investigate the effect of corporate culture on the performance of Kenya Commercial Bank.

1.3.2 Specific Objectives

Specially, the study sought:

- i. To establish the effect of Involvement culture on the performance of Kenya Commercial Bank
- ii. To establish the effect of consistency culture on the performance of Kenya Commercial Bank
- iii. To establish the effect of adaptability culture on the performance of Kenya Commercial Bank
- iv. To establish the effect of mission culture on the performance of Kenya Commercial Bank.
- v. To establish the moderating effect of organizational factors on the relationship between corporate culture and performance of Kenya Commercial Bank

1.4 Research Hypotheses

H0₁:There is no significant relationship between involvement culture and the performance of Kenya Commercial Bank.

H0₂:There is no significant effect of consistency culture on the relationship between corporate culture and the performance of Kenya Commercial Bank.

H0₃:There is no significant effect of adaptability culture on the relationship between corporate culture and the performance of Kenya Commercial Bank.

H0₄: There is no significant effect of mission culture on the relationship between corporate culture and the performance of Kenya Commercial Bank.

H0₅:The organizational factors have no moderating significant effect on relationship between corporate culture and performance of Kenya Commercial Bank.

1.5 Significance of the Study

The study findings may be of interest and useful to:

Organizations to recognize the importance of developing and nurturing strong corporate cultures to enhance modern business success, the top corporate management will be in a position to acknowledge the significance of corporate culture as an ingredient in modern business success and therefore not to be overlooked. The human resource fraternity will be beneficiaries of this study as they will be able to identify the right buttons to touch in the change management process.

The study findings may benefit management of the organization under study, by gaining insight into how their organization can effectively employ corporate culture to enhance

their performance. Management can gain the best policies for applications. This may improve on the existing theory and knowledge on the changes that government institutions are going through in relation to corporate.

This study findings may be of use to institutions in the banking industry and other organizations both in the service Sector and manufacturing sector whose knowledge of the relationship between corporate culture and organizational performance is important input in facilitating competitive advantage.

In addition, the study findings may be of great benefit to the researcher to know how corporate culture affects the performance of an organization.

1.6 Scope of the Study

The study scope is premised mainly on the aim of determining the effects of corporate culture on the performance of Kenya Commercial Bank (KCB). The study delimited itself to the key components of corporate culture based on Denison Model of organizational culture and performance which included involvement culture, consistency culture, adaptability culture and mission culture. The organizational performance was measured in terms of profitability, growth, and Market share. Finally, the study delimited itself to permanent staff of Kenya Commercial Bank. This therefore implies that the study respondents were sampled from permanent staff of KCB.

1.7 Limitations of the study

Participants delay on response by not availing information on time. The researcher therefore informed them the need for timely provision of data to aid the research process. Further, the study involved several KCB branches and therefore assembling data from participants took procedural approach. The researcher had research assistants that helped in data collection.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter describes an overview of corporate culture, cultural traits of corporate culture, organizational performance, organizational factors and the relationship between corporate culture and organizational performance.

2.2 Theoretical Review

Several theories have been advanced to explain the relationship between corporate culture and organizational performance.

2.2.1 Edgar's Schein Theory of Organization's Culture

According to the theory there are two major problems that organization faces and must deal with which include striving for survival, growth, and the ability to adapt with the environment. Secondly, organizations strive to continue existing through its daily functioning. These two identified problems form the major issues facing organizations which manifest their macro cultural context and from which their basic assumptions emanated from (Schein 2010). According to Ng & Kee (2013), organizational culture is a key to organization's excellence in which top management must play a vital role in applying the culture as the organization changes along with the environmental changes. Schein opined that organization do not adopt a culture in one day but rather formed over a period as the organization and the employees undergo different changes and adapt to the external environment in order to solve problems. Schein (2010) identified three

fundamental levels at which organizational culture manifest which include observable artefacts, values, and basic underlying assumptions.

To start with are the observable artefacts. An artefact is what people see or view when entering any organization. It includes that physical outlook, the dressing code, and the way in which the employees address themselves, the company's records, products, and annual report. The major aspect of artefact is that it is easy to observe and difficult to decode and to have a deeper understanding of the artefacts there is a need to socialize with the group.

Secondly are the espoused values. There exists an original belief which became a shared belief as well as shared assumptions because of its success. These are beliefs that has been empirically tested and continue to work reliably to solve problems and therefore been transformed to assumptions. The organizations' goal and strategy also fall into this category (Schein 2010).

Thirdly are the basic underlying assumptions. The basic assumptions are unconscious taken-for-granted beliefs, feelings, thoughts, non-debatable, non-confrontable and therefore extremely difficult to be subjected to change. Certain beliefs and facts that stays hidden but have effect on the culture of the organization such hidden aspects come under the basic underlying assumptions which are practices(Schein 2010).

2.2.2. The Denison Model – A Theory of Organizational Culture and Effectiveness

According to Denison (1990), the most interest areas of organizational culture is the way in which behaviors and values are acculturated into action in an organization. The theorist indicated that there is a gap in the literature as regards the relationship between an organization, the organizations' culture, the practices of management and the organizations' effectiveness and performance. According to Denison (1990), an organization can attain an optimal level of performance by engaging and empowering their employees thus involvement, promoting consistency in behavior and enhance coordinated actions with the core values of the business thus consistency, considering and execute the demand of the environment (adaptability) and finally provide clear sense of direction and purpose thus mission. Kotrba et al (2012) opined that the four traits aforementioned are essential elements for developing and maintaining an effective organizational culture. According to the theorist, consistency and involvement are internal factors necessary for developing effective organizational culture which include transparency, strong interpersonal relational and employee-focused leadership while mission and adaptability are external factors vital for maintaining an effective organizational culture. All the four traits are what Denison hypothesized and stated they are the principles by which organization's culture influences effectiveness.

2.3 Conceptual Review

This study is anchored on the four traits of organizational cultures based on the Denison Model. Denison identified four key drivers of high performance: mission, adaptability, involvement, and consistency. Mission and adaptability cultural traits give the organization external orientation while involvement and consistency provide for internal

orientation. Two of the traits, involvement, and adaptability, are indicators of flexibility, openness, and responsiveness, and were strong predictors of growth. The other two traits, consistency, and mission are indicators of integration, direction, and vision, and are better predictors of profitability. Each of the four traits are also significant predictors of other effectiveness criteria such as quality, employee satisfaction, and overall performance.

An organization's mission is important to the performance of an organization. It defines a meaningful long-term direction and focus to the organization. It creates a vision and strategy that supports innovation. It provides a roadmap for implementing the creative ideas. High performing organizations have a mission which tells employees why they are doing the work they do and how the work they do on daily basis contributes to the why.

Involvement is a critical cultural trait in an organization. It determines the alignment and engagement levels of employees in an organization. Highly involved organizations create a sense of ownership and responsibility. Out of the sense of ownership grows a greater commitment to the organization and increased capacity and autonomy. Involvement fosters autonomy and accountability, promotes teamwork, and empowers employees to develop and express creative ideas. High level of involvement therefore has a direct impact on performance.

Adaptability translates the demands of the business environment into action. Adaptability is a source of ideas for learning and change, proactive response to market

needs and encourage risk taking. 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 adopt.

Consistency defines the values and systems that are the basis for a strong culture. It enhances innovation through cross functional collaboration. It also supports alignment and coordination throughout the innovation process. Consistency provides a central source of integration, coordination, and control. It also helps an organization develop a set of systems that create an internal system of governance based on consensual support.

2.3.1 Cultural Traits

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, 1990; Denison and Mishra, 2015).

The four traits of organizational culture in Denison's framework are as follows:

2.3.1.1 Involvement Culture

Sofijanova and Chatleska (2013) in their study on employee involvement and organizational performance defines employee involvement as a process of participation and empowerment of employees to use their input towards achieving higher individual and organizational performance. Involvement refers to the employee participation in decision making and problem solving and increase autonomy in work processes. As a result, employees are expected to be more motivated, more committed, more productive, and more satisfied with their work. The effective use of employee involvement is

positively related to organizational performance. More precisely, employee participation and empowerment programs, and the use of self-managing have a direct and statistically significant correlation to the organizational performance.

Lawler, (1996) says that effective organizations empower their people, build their organizations around teams, and develop human capability at all levels. 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 inputs into decisions that will affect their work and that their work is directly connected to the goals of the organization.

Zmorski (2018) has written an article on How to Foster a Culture of Involvement. She says, great leaders involve employees from all levels in the business operations. By creating an environment of trust and openness and developing a culture of risk-taking, leaders are able to turn over the responsibility of the daily operations to the employees. These leaders recognize the need and take active steps to produce ownership within the ranks.

The best companies know that employees who feel involved in the business feel trusted. This trust helps to create a sense of ownership. A sense of ownership enables employees to empower themselves, making them happier, more fulfilled, productive, and loyal.

She further said that there are five (5) tactics for creating a culture of involvement. The first tactic involves communication of the vision and ensuring everyone is on the same page, working toward a common goal. The second tactic is about creating a culture of

trust by giving employees the knowledge, skills, tools, resources, and parameters to make good decisions, ensuring that they will successfully deliver on the vision.

The third tactic involves employees in the process for budgeting financial results. Employees who are involved in creating the budget will understand their value and importance to the organization. They now have a sense of control over their own destinies, making the connection that success for the organization means success for them. The fourth tactic is on developing training which creates interaction within departments and with customers and lastly, the fifth tactic which is about building continuous improvement into every step of the operation.

2.3.1.2 Consistency Culture

Organizations also tend to be effective because they have “strong” cultures that are highly consistent, well-coordinated, and well-integrated. 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. Johansson (2016) says what really matters, then, isn’t what cultural standards you set but rather the fact that you set them and stick with them over a long period of time.

Consistency is what’s going to help you reap the benefits of company culture, no matter what kind of culture you want to create. First, understand that consistency is the only way to set reasonable employee expectations. If, one day, you encourage all your

employees to take breaks at their leisure, but on another day, you reprimand a worker for being gone too long at lunch, your workers won't know how to react in the future. They may err on the side of caution by taking fewer breaks, but deep down, they won't know what it is you really want from them. On the other hand, if you're consistently strict with the procedure for taking breaks, all your employees will be on the same page. There will be fewer miscommunications, and soon everyone will know what to expect when taking an action.

Consistency also leads to higher rates of employee satisfaction. If you're inconsistent in the rules and standards you set, your employees may end up feeling confused, that your organization lacks direction and may find themselves unsure whether they really fit in with the culture.

According to Natatsha and Dvorok (2020) Operating in multiple geographic locations magnifies the challenge. When people can't be quickly and frequently gathered, it's difficult to ensure culture is understood and practiced as intended. Nonetheless, leaders are responsible for ensuring the culture of each local organization is consistent with the overall organization's desired identity and that local managers and supervisors are aligned with it. Culture only creates value when it aligns with your company's values, provides a consistent employee experience, brings the mission and purpose of your organization to life, and delivers on the promises you make to your customers. Strong cultures are very different. They create a consistent employee experience with consistent values that enable consistent delivery of the brand promise. Remember, to customers,

your brand represents one organization, one culture, one promise and it's tough to sustain that impression with a splintered culture. Bring geographically divided employees together with constant communication and work connected to corporate values, and you'll make your culture the asset it should be.

2.3.1.3 Adaptability culture

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).

Kotter and Heskett (1998) in their book *Corporate Culture and Performance*, share evidence that companies with strong adaptive cultures based on shared values outperformed other companies by a significant margin. Over an eleven-year period, companies that emphasized all stakeholders grew four times faster than companies that did not. These companies also had job creation rates seven times higher, stock prices that grew 12 times faster, and profit performance that was 750 times higher. They further said that Adaptive cultures promote innovation, moderate risk-taking and candid discussions. They place equal emphasis on customers, shareholders, and employees. In an eleven-year study of 207 large organizations, Kotter and Heskett demonstrate the positive effect of an adaptive culture on performance. They argue that only cultures which help organizations anticipate and adapt to change will be successful over the long term. Appropriate corporate culture should have the ability to fit in to the prevailing

organizational climate or to adjust to the changes in the internal and external environment of an organization for high performance to be achieved and sustained.

Bennett (1997) quotes Deruson 1990 who asserts that, flexibility in corporate culture enables an organization to do three things. First, it enables the firm to respond quickly to changing environment. Second, it enables an organization to facilitate internal organizational design thus departmentation, divisionalization. Third, it encourages the modification of employee behavior in an appropriate manner as circumstances change. On the same note, Bennett (1997) quotes Brown (2015) who argues that a successful enterprise needs to be able to adapt its corporate culture at will in order to fit its present environment, within such a culture. Cole (2015) adds that as the focus of an organization change marked by growth in business, the corporate culture of the organization faces new demands. Mature and effective cultures will be capable of serving the interests of a full spectrum of stakeholders. Corporate culture should have the ability to adjust to the dynamics of the business environment.

2.3.1.4 Mission Culture

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 (Ohmae, 1982). In addition, Hamel and Prahalad (1994) contends that when an organization's underlying mission changes, changes also occur in other aspects of the organization's culture. Studies in Nigeria found that the use of mission statements not only as mere "slogans" but open the employees' eyes to see their daily tasks and roles in the vision and mission so that to attain business objectives

(Oghojafor, Olayemi and Okonji, (2015). Rarick and Vitton (2015) concluded that having a mission statement significantly increases shareholder equity.

Collins and Porras (1991) found that mission statements motivate employees and make a firm more competitive. Germain and Cooper (1990) concluded that firms with a customer service mission statement improve customer performance due to a more intensive effort to monitor firm performance. Falsey (2019) attempted to show that companies with mission statements expressing a sense of responsibility to the community have performed well over a period of time. The researcher agrees with the authors on the cultural traits of corporate culture and adds that the involvement, adaptive, consistency and mission cultures of an organization will have an effect on its performance.

2.3.2 Organizational Performance

Cascio (2016) says that the degree of an achievement to which an employee's fulfill the organizational mission at workplace is called performance. Chatman and Eunyoung (2013), asserts to the reality that studies have found a relationship between organizational cultures and company performance with respect to success indicators such as revenues, sales volume, market share and stock prices. At the same time, it is important to have a culture that fits with the demands of the company's environment. To the extent that shared values are proper for the company in question, company performance may benefit from corporate culture.

Azhar (2013) asserts that the phenomenon which often distinguishes good organizations from bad ones could be summed up as “corporate culture.” He further observes that organizational Culture can be one of the most important means of improving organizational performance. Raduan (2018) observes that, a high degree of organization performance is related to an organization, which has a strong culture with well-integrated and effective set of values, beliefs and behaviors. However, many researchers concur that culture would remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions. Furthermore, the culture must not only be extensively shared, but it must also have unique qualities, which cannot be imitated. Mercer (1996) states that after studying the cultural, behavioural and performance traits of more than 1,000 companies worldwide, Denison found corporate culture can affect sales growth and business performance.

2.3.2.1 Profitability

According to the business dictionary, profitability is the state or condition of yielding a financial profit or gain. It is often measured by price to earnings ratio. Investopedia explains that profit is the money a business makes after accounting for all the expenses.

Diana (2013) explains that, in the past decades, many scholars and experts have conducted extensive research on the topic corporate culture. For example, after researching 207 companies within 22 industries between 1977 and 1988, John Kotter and James Heskett discovered that corporate culture affects economic performance. Pankaj (2013) quotes James Heskett, who is a Professor at Harvard Business School, who said that as much as half of the difference in operating profits between organizations can be attributed to effective corporate cultures.

Grey (2012) adds that two interesting findings came from a study by Dr. Rob Cooke from Human Synergetics International. He measured the correlation between profit margin and how constructive the culture of the organization was. A constructive culture is one where there is a sense of achievement, challenge, growth, encouragement, and humanistic relationships. The first conclusion was that organizations with a constructive culture had sustained higher profit margins. In fact, the more constructive the culture, the higher the profit margin and the more stable the profit over time. The second conclusion was that aggressive cultures had the most erratic profit margins. Some years it would go way up and other years it would come crashing down. Being aggressive can yield short term gains but in the long term, people burn out and leave and the numbers drop, often costing the aggressive manager his or her job. According to Robin (2014), Research suggests that companies with strong corporate culture have higher long-term returns.

The researcher agrees with the research findings which relate corporate culture to profitability. Organizations with strong corporate cultures have high profitability ratios than those with a weaker corporate culture. Profitability of an organization is an indicator of organizational performance.

2.3.2.2 Business Growth

Many researchers have explored the linkage between business growth and corporate culture. Based on the findings, there is a linkage between business growth and corporate culture. The edge held by companies who grow successfully is that they have a culture that supports and sustains growth, and they have a process that keeps them moving

forward and staying on-track. Companies grow successfully when all the important things they do are consistent with the values and agreements that support their growth and when they have clearly defined actions that keep them pointed and moving in the right direction. All too often, corporate values, agreements, actions, and lack of clarity undermine an organization's ability to achieve its goals.

O'Reilly and Tushman (2004) said that "Ford attempted three turnaround efforts over the last 15 years. Two of them failed abysmally. This last one, under Mulally, finally worked." Quoting Bryce Hoffman's 2013 book *American Icon* about Mulally's turnaround at Ford, O'Reilly and Tushman (2004) said that Mulally succeeded because he attacked "the root of the problem: Ford's corporate culture." O'Reilly C. in his research update published in the August 2014 *Journal of Organizational Behavior*, Charles O'Reilly teamed with colleagues Jennifer, Chatman and Bernadette Doerr at the University of California–Berkeley and David F. Caldwell at Santa Clara University to examine whether corporate culture had a positive impact in the fastest growing companies specifically high-technology firms. The team noted that the supremely adaptive cultures in Silicon Valley and beyond contain transformative medicine for most companies, no matter what the industry.

O'Reilly can recite a long list of corporate culture success and failure stories, noting that some traditional companies, like Ford Motor Company, provide excellent illustrations of failure on the road to success. O'Reilly suggests that Ford's recently departed CEO Alan Mulally succeeded where previous leaders failed because he realized the automaker's problems began with its rigid, outdated corporate culture.

2.3.3 Organizational Factors

The organizational factors advanced include, the leadership style, organizational politics and organization structure.

2.3.3.1 Leadership style and Corporate Culture

Most authors acknowledge that leadership style play a crucial role in developing, influencing or shaping, sustaining and changing the corporate culture of an organization. Pankaj (2013) explains that Leaders have to live by the culture, set the tone and be the role models. Leaders need to view culture as a distinctive value proposition that fulfills the demands of the market. Shaping culture is about defining the essential human qualities that are consistent with market leadership demands. Only such a culture will be sustainable if you continue to encourage and build momentum. He adds that behind each leader is an organizational culture that propels people to work hard and stay with the business. Setting such an example were Bill Gates (Microsoft), Jack Welch (GE), Larry Page (Google) and Steve Jobs (Apple), among many other founder leaders. They nurtured culture into something that bred loyalty and motivated their employees. Armstrong (2016) observes that maybe the only really important thing leaders do is to construct organizational cultures. Deal and Kennedy (1982) asserts that in order to build a strong culture, top management must be convinced that it can adhere faithfully and visibly to the values it intends to promote. Any inconsistency in adhering to or failing to promote the company's enunciated values will begin to undermine the strength of the culture.

Luthans (2017) argues that management can control to a significant degree, the dominant values, and norms within its organization by the type of socialization programs it establishes. Pearce II and Robinson (2010) notes that, leaders typically attempt to manage and create distinct cultures in four ways. First, by emphasizing on the key themes or dominant values; second, by encouraging dissemination of stories and legends about core values; third, by institutionalizing practices that systematically reinforce desired beliefs and values, and by adopting some very common themes in their own unique ways.

Deal and Kennedy (1982) adds that top management are missing out on the key ingredients for the eventual success of their organizations by either ignoring the influence of corporate culture on corporate success or their own role in shaping the culture.

The researcher concurs with the arguments put forth by the authors. They stress the power of leadership in shaping or influencing corporate culture, which has an impact on the performance of the organization.

2.3.3.2 Organizational Politics and Performance

Organizational politics is an elusive type of power relations in the workplace. It represents a unique domain of interpersonal relations, characterized by the direct or indirect (active or passive) engagement of people in influence tactics and power struggles. These activities are frequently aimed at securing or maximizing personal

interests or, alternatively, avoiding negative outcomes within the organization (Kacmar and Ferris, 1991). However, they may also be targeted at securing or maximizing collective interests (team, group, organizational, or social) in cases where several decisions are possible that affect different interests. The number of studies on organizational politics has increased rapidly in recent decades. Vigoda-Gadot and Drory (2016) suggest that the issue is of prime importance to any type of organization, in any field, market, sector, and culture. It has been studied from various perspectives, largely from a behaviorist point of view (Kipnis et al., 1980) or a cognitive one (Ferris& Kacmar, 1992).

Organizations are social entities that involve a struggle for resources, personal conflicts, and a variety of influence tactics executed by individuals and groups to obtain benefits and goals in different ways (Molm, 1997). OP is usually defined as behavior strategically designed to maximize self-interests (Ferris, Russ, and Fandt, 2019) and therefore contradicts the collective organizational goals or the interests of other individuals.

From the above, politics can affect the organization either positively or negatively. Some researchers have argued that political environments make for risky investments. For this reason, workers should attempt to contribute as little effort to the organization as is reasonably possible. Thus, politics should lead to lower performance. Those who view politics negative lead to poor performance. On the other hand, politics can be viewed positively and therefore impact on performance positively.

2.3.3.3 Organization Structure and Performance

Organizational structures can inhibit or promote performance, depending how effectively the supervisory relationships and workflow influence productivity. Organizational design is one of the three tasks that fall into the organizing function in the planning organizing-leading-controlling (P-O-L-C) framework. As much as individual- and team-level factors influence work attitudes and behaviors, the organization's structure can be an even more powerful influence over employee actions (Ambrose and Cropanzano, 2010).

Organizational structure refers to how individual and teamwork within an organization are coordinated. To achieve organizational goals and objectives, individual work needs to be coordinated and managed. Structure is a valuable tool in achieving coordination, as it specifies reporting relationships, delineates formal communication channels, and describes how separate actions of individuals are linked together. Organizations can function within a number of different structures, each possessing distinct advantages and disadvantages. Although any structure that is not properly managed will be plagued with issues, some organizational models are better equipped for particular environments and tasks (Ambrose and Cropanzano, 2010).

2.3.4 Relationship between Corporate Culture and Organizational Performance

Several researchers globally and locally have examined the linkage between corporate culture and business success or performance. Marketer (2015) states that, studies have shown that organizational culture has a direct impact on other vital performance outcomes of any organization, including customer satisfaction and business growth and

the strong effects of organizational culture are consistent across a wide spectrum of businesses and industries, from education institutions, churches, automotive sales and service and fast-food retailing to home construction and computer manufacturing. Corporate culture can affect an organization's bottom line. Mercer (1996) states that after studying the cultural, behavioural and performance traits of more than 1,000 companies worldwide, Denison found corporate culture can affect sales growth and business performance. Corporate culture has significant effects on the performance of individuals and the organization in general. It can affect the organizational performance either positively or negatively. Mullins (2017) argues that there is a relationship between organization's culture and performance.

Baron and Greenberg (1990) assert that, because corporate culture involves shared expectations, values and attitudes, corporate culture exerts many important effects both on individuals and organizational processes. With respect to organizational members, culture generates strong if often subtle, pressures to go a long, to think and act in ways that are consistent with the existing culture. They further note that much research has focused on possibility of a link between culture and performance. One view is that in order to influence performance, organizational culture has to be strong, that is basic aspects of culture is strongly accepted by most employees and must also possess certain key traits like concern with quality. Baron and Greenberg (1990) add that an organization's culture is often a powerful force determining how an organization operates how it performs.

According to Pearce II and Robinson (2010), all the cultures to which organization members belong have the potential to affect their work performance. The argument is strengthened further by Deal and Kennedy (1982) who have noted that whether weak or strong culture has a powerful influence throughout an organization; it affects practically everything, from who gets promoted and what decisions are made to how employees dress and sports they play. Because of this impact culture has a major effect on the success of business.

Armstrong (2016) who quotes Furnham and Gunter (1993) points out that corporate culture offers a shared system of meanings which is the basis for communications and mutual understanding. If these functions are not fulfilled in a satisfactory way, culture may significantly reduce the efficiency of an organization. Mullins (2017) adds that culture can reduce complexity and uncertainty. It provides consistency in the outlook and values, and makes possible the process of decision making, coordination, and control. Culture is therefore an important ingredient in effective organizational performance. The researcher concedes and supports the authors by arguing that corporate culture whether weak or strong will affect the organizational performance either positively or negatively.

2.3.5. Appropriate Corporate Culture

Appropriate culture should have the ability to influence an organization's performance positively; it should be unique, difficult to copy thus differentiating the organization from others and by giving it a competitive advantage. An appropriate culture should also

be consistent in its elements and shared amongst organizational members. It should also be flexible enough to adjust to business dynamics. Benett (1997) observes that ideally the values, beliefs and expectations shared by employees should be consistent with the firms' mission, strategies and objectives. Indications that this is not the case might emerge from communication breakdowns, excessive bureaucracy, and resistance to change, poor quality output and under-performance. This will require the prevailing culture to be changed in the most appropriate corporate culture.

Mathis and Jackson (2010) observe that the culture of an organization also affects the way external forces are viewed. In one culture, external events are seen as threatening. Whereas another culture views risks and changes as challenges requiring immediate responses. The latter type of culture can be a source of competitive advantage, especially if it is unique and hard to duplicate. The researcher concurs with the authors on appropriateness of corporate culture towards influencing performance. An appropriate culture can offer competitive advantage to an organization.

2.4 Empirical Review

Several authors and researchers have defined corporate culture from different perspectives. Schein (2004) defines organizational culture as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems. Detert and Mauriel, (2010) add that though organizational

culture may reside in the collective minds of organizational members, it is manifested in tangible ways, such as behaviors, throughout the organization.

Liker (2004) in his book *The Toyota Way* defines Corporate Culture as the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration and that have 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.

Collins and Porras (2010) state that organizational culture refers to a system of shared meaning held by members that distinguish one organization from other organizations. Robbins (2010) postulates that culture, as a concept, has had a long and chequered history. In the last decade, it has been used by some organizational researchers and managers to indicate the climate and practices that organizations develop around their handling of people or to refer to the espoused values and credo of an organization.

According to Yilmaz, (2018) Organizational culture is a pattern of shared values and beliefs which have developed over time which produces behavioral norms that are adopted in solving problems. The organization's internal environment is represented by its culture and is construed. Yilmaz (2018) states that at the core of Denison's model are the underlying beliefs and assumptions that represent the deepest levels of organizational culture.

These fundamental assumptions provide the foundation from which more surface-level cultural components such as values and observable artifacts, symbols, heroes, rituals, etc. – are derived, and behavior and action spring. Such values are deemed both more accessible than the assumptions and more reliable than the artifacts.

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.

According to Kandula (2016) the key to good performance is a strong culture. He further maintains that due to difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore, organizational culture has an active and direct role in performance.

Raduan (2018) observes that, a high degree of organization performance is related to an organization, which has a strong culture with well-integrated and effective set of values, beliefs, and behaviors. However, many researchers concur that culture would remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions. Furthermore, the culture must not only be extensively shared, but it must also have unique qualities, which cannot be imitated. Most definitions refer

to some sort of values, beliefs, assumptions, and attitudes that are held by individuals in the organization. Upon close examination of the definitions, it can be assumed that there exists a general agreement that organizational culture comprises common beliefs, attitudes, assumptions, and values. These values according, to Moorhead and Griffin (2015), help employees understand how they should act in the organization which has an effect on performance of the organization.

2.5 Research Gap

Table 2.1: Research Gap

Author	Focus of previous study	Major findings	Research Gap
Luthans (2017)	Corporate Culture and Performance of Kenyan Commercial Banks	Found a strong positive significant relationship between corporate culture and performance	The current failed to address specific corporate culture elements of Involvement, Consistence culture, Adaptability culture and Mission culture.
Rarick & Vitton (2015)	Influence of mission statement on Performance of Asian firms	The study revealed a significant positive effect of mission statement on performance	The study addresses mission statement and not entirely corporate culture.
Falsey (2019)	Effects of mission statement on Performance of Ghana firms	The study revealed a significant positive effect of mission statement on performance	The study addresses mission statement and not entirely corporate culture.
Natatsha & Dvorok (2020)	Organizational culture and performance of private firms in Somali	The study revealed a insignificant effect of organizational culture on performance	Focuses on private firms and not Kenya commercial bank.
Cascio (2016)	The influence of cultural roles on financial performance commercial banks	The study revealed a insignificant effect of organizational culture on performance	Focuses on cultural roles and not types of corporate culture.

2.6 The Conceptual Framework

The conceptual framework provided the study with a guideline on how independent and dependent variables interact in relation to corporate culture and performance. The organizational factors may have an influence in the relationship between the independent and dependent variables. The main aim of the study was to investigate the relationship between organizational culture and organizational performance. Denison's model proposes that organizations with a higher combined measure of the four cultural traits show higher levels of performance.

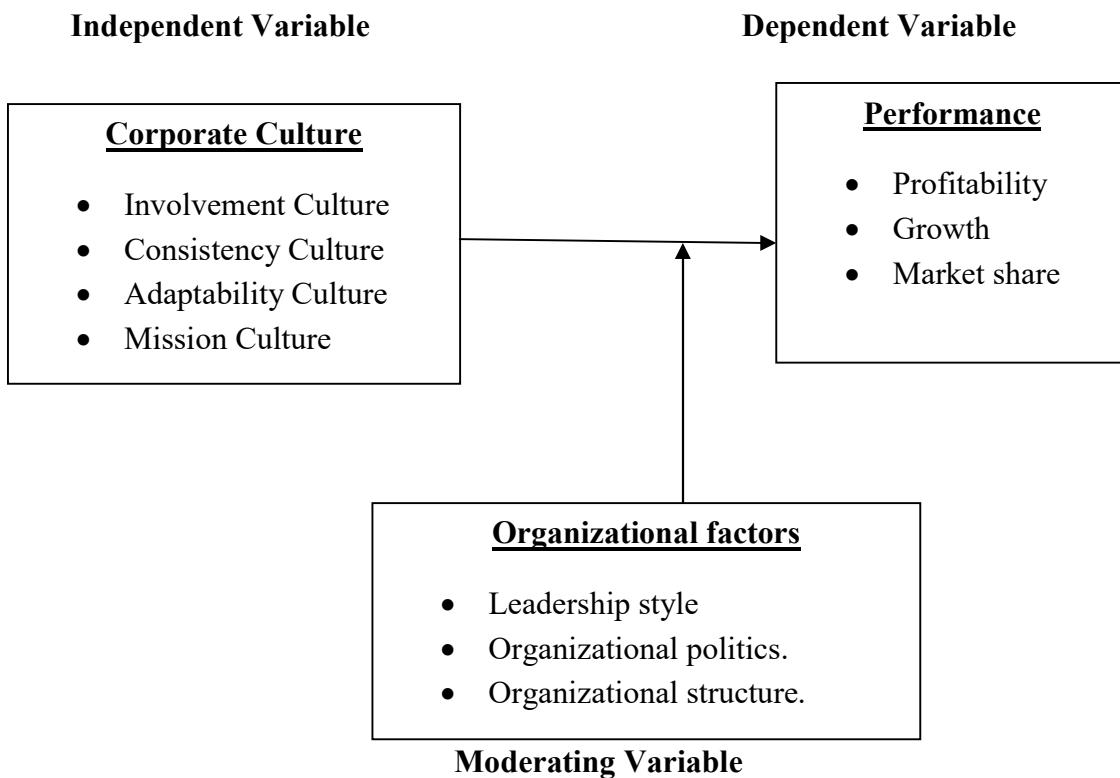


Figure 1:1 Conceptualizing the Relationship between Corporate Culture and the Performance of KCB Bank.

Source: Authors Own Compilation (2023)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design, the target population, sample size, sampling procedure, validity and reliability of instruments and data analysis and presentation.

3.2 Study Area

Kenya Commercial Bank is a Regional Bank with its Headquarters located in Nairobi, the capital city of Kenya. KCB has a regional presence with branch networks across East African Region. KCB subsidiaries include KCB Tanzania, Uganda, Rwanda, Burundi, and South Sudan. This forms the study framework.

3.3 Research Design

The study employed a mixed research design comprising of descriptive survey design and correlation research design. The research examined the relationship between Corporate Culture and the performance of KCB. The study also established the significance of the relationship between the variables investigated.

3.4 Target Population

The study targeted all staff in KCB head office units and branches within Nairobi County as the population of study. The category of staff targeted has a total population of 316 employees.

3.5 Sampling Size and Sampling Procedure

Kothari (2014) attributes sample to the smallest unit in a population generated to satisfy the goal of research basing on accessibility of entire group and resources to facilitate a whole group. Yamane Taro(1967) sample computation formulae was used as shown below.

Thus;

n- Sample Unit,

N- Population Unit

e- Freedom degree.

Thus

$$\begin{aligned} n &= \frac{N}{1 + N(e)^2} \\ &= \frac{316}{1 + 316(0.0)^2} \\ &= \frac{316}{1.79} \\ &= 177 \end{aligned}$$

Table 3.1: Target Population, Sampling Size and Sampling Procedure

Strata	Target Population		Sample Size
Senior Management (Directors and Heads of Departments (MLE and above)	24	$= \frac{24}{316} \times 177$	14
Middle Level Management (MLD-MLC)	130	$= \frac{130}{316} \times 177$	72
Lower management level (MLB-MLA)	133	$= \frac{133}{316} \times 177$	75
Worker's representatives (Central staff committee and shop stewards)	29	$= \frac{29}{316} \times 177$	16
Total	316		177

Source: Human Resource Division –KCB Bank (2016).

The sample size of 177 employees was selected from 316 employees in the four categories in the company.

The study specified a case of KCB Head Office units and Branches within Nairobi County with a population of 316 permanent staff. A target population included 24 Senior Management (Directors and Heads of Departments), 130 middle level managers (MLD to MLC), 133 lower-level managers (MLB to MLA) and 29 workers representatives. The study targeted senior managers, middle level managers, and Lower-level managers and workers representatives since they are in a strategic position to understand the corporate culture and relate it to the business performance more objectively than staff at clerical and subordinate level. The workers representatives represented the views of the non-management staff.

Stratified random sampling and simple random sampling were used to achieve a representative sample. The target population was assigned into four sub-groups namely senior managers, middle level managers, lower-level managers, and workers representatives. A sample was drawn from each of the subgroups (strata) using simple random sampling technique (Mugenda & Mugenda, 2013). This ensured that the sample selected was representative.

3.6 Instrument for Data collection

The study adopted the use of questionnaires and interview schedules.

3.6.1 Questionnaire

Questionnaires were used to collect the required information from the employees. This method will be chosen because it enables the researcher to obtain a lot of information in a small space of time. The instrument also ensured anonymity of respondents as their identities were not requested (Kothari, 2014).

Questionnaires were administered to the sample population through their immediate supervisors and others directly to the respondents. The questionnaires contained both structured and unstructured questions. The researcher after administering the questionnaires collected them through the coordination of the supervisors after one week; others were collected directly by the researcher. An introductory letter was attached on the questionnaires as a covering note.

3.6.2 Interview Schedules

The interview schedules formed an integral part of data collection. The researcher employed this instrument by interviewing senior management and workers representatives. This instrument was more useful since it enabled the researcher to obtain more information and clarification through probe questions. The study used both structured and unstructured questions. The researcher booked appointments with interviewees who were interviewed during normal working hours at their workplace.

3.6 Data Collection Procedure

Data collection involved selecting subjects and gathering information from them. The process delineates the steps involved in data collection regarding a specific study and depending on the research design and method of measurement (Burns and Grove, 2015). The researcher sought an introductory letter from the University to facilitate access to the target organization and population. During the data collection process, the researcher used a contact person in the organization who assisted in the data collection process. The researcher delivered questionnaires to the sample population who filled and collected them later on. He also came up with an interview timetable, which conforms, to interviewees' work schedules. The researcher observed the employees while on duty; observed the formal and informal communications and general performance of staff and behavior. Also listened to stories about the company performance in the past, presently and its prospects (Mugenda & Mugenda, 2013). The researcher reviewed available documents and records were relevant to the subject of study.

3.7 Pilot Study

A pilot study was carried out to pretest and validate the questionnaire. The questionnaires was tested to ascertain its validity and reliability in gathering the desired information.

3.7.1 Validity

Validity is the extent to which instruments measure what is supposed to be measured. It is therefore the degree to which the results obtained from analysis of the data actually represent the phenomenon under study (Kothari, 2014).

Face validity was ensured by pretesting of the data collection tool and scrutiny of the instruments by the research supervisor. Construct validity was achieved by review of theoretical and empirical literature to capture the necessary relevant issues to be addressed in the phenomenon that was investigated. Content validity was achieved by ensuring that the information contained in the instruments capture relevant areas and its composition can be piloted through a survey with a different group other than the target population.

3.7.2 Reliability

Reliability refers to the extent to which an instrument yields similar results each time it is administered by independent persons under comparable conditions. The researcher took much care to ensure that the research procedure was the same at each of the sections in the study population. According to Mugenda and Mugenda, (2013), reliability was sought to test accuracy of results given during data collection. The study employed a threshold for Cronbach's Alpha (α) which was more than 0.7 hence reliable.

3.8 Data Analysis

For data analysis the study utilized both descriptive and inferential statistics, for descriptive the study used frequency, percentages, mean and standard deviation. Inferential statistics entailed Pearson moment correlation, simple linear regression, multiple regression and hierarchical regression analysis. The association between corporate culture and performance of KCB was realized through regression analysis.

The following regression models applied:

$$\text{Model A..... } Y = \beta_0 + \beta_a X_a + \varepsilon$$

$$\text{Model B..... } Y = \beta_0 + \beta_b X_b + \varepsilon$$

$$\text{Model C..... } Y = \beta_0 + \beta_c X_c + \varepsilon$$

$$\text{Model D..... } Y = \beta_0 + \beta_d X_d + \varepsilon$$

$$\text{Model E..... } Y = \beta_0 + \beta_a X_a + \beta_b X_b + \beta_c X_c + \beta_d X_d + \varepsilon$$

$$\text{Model F..... } Y = \beta_0 + \beta_a X_a + \beta_b X_b + \beta_c X_c + \beta_d X_d + T + \beta_a X_a T + \beta_b X_b T + \beta_c X_c T + \beta_d X_d T + \varepsilon$$

Where;

Y = Dependent Variable (Performance of Commercial Bank)

X = Aggregate effect of corporate culture

Independent variables, which include:

X_a is Involvement Culture

X_b is Consistency Culture

X_c is Adaptability Culture

X_d Mission Culture

β₀ = the constant

β_{a-d} = the regression coefficient

T = Moderator (Organization factors)

ε = Error term

3.8.1 Diagnostic Test

This included normality test, Multi Collinearity test by use Pearson Correlation and linearity test. Multi-collinearity: A figure($r = 0.9$ and above) indicates multicollinearity problem. Normality: Linearity was tested using Shapiro wilk and kolmogorov Smirnov test. Data Collected from the interview schedule was analyzed using content analysis where the data was presented in prose narrations after discussion of questionnaire responses.

3.8.1.1 Normality Test

The study used statistical tests to assess the actual degree of departure from normality as suggested by Hair et al. (2010). The researcher ran the statistical tests of normality of Shapiro – Wilk test and Kolmogorov- Smirnov Tests.

3.8.1.2 Multi Collinearity test

Multi Collinearity test by use Pearson Correlation and linearity test was employed in the study. A figure($r = 0.9$ and above) indicates multicollinearity problem.

3.9 Ethical Considerations

The adhered to all possible ethical considerations. The study acknowledged all sources used. The investigator went ahead to give participants accurate and detailed information and maintaining confidentiality of data gained including omitting participants names on data collection instruments. The purpose of study had been stated as purely academics. The participants were shown a letter authorizing this study from MMUST and (NACOSTI). Participation was voluntarily and not under force.

CHAPTER FOUR

RESEARCH RESULTS AND DISCUSSION

4.1 Introduction

This chapter gives the analysis, presentation and interpretation of the empirical data and the findings of the study. Data collected was presented using analysis tables. The responses were eventually analyzed using the Statistical Package for Social Science (SPSS) and Pearson coefficient. The structure of this chapter was based on the responses that the researcher collected from the respondents using the questionnaires. The study focused on the following objectives: to establish the effect of Involvement culture on the performance of Kenya Commercial Bank, to establish the effect of consistency culture on the performance of Kenya Commercial Bank, to establish the effect of adaptability culture on the performance of Kenya Commercial Bank, to establish the effect of mission culture on the performance of Kenya Commercial Bank and to establish the moderating effect of organizational factors on the relationship between corporate culture and performance of Kenya Commercial Bank. The data was analyzed using descriptive and inferential statistics. Inferential statistics of the variables was done using Pearson correlations and regression statistics after appropriately testing for the classical linear regression assumptions of normality, linearity, Multicollinearity and Heteroscedasticity. Results were discussed according to the way they appear in the questionnaires.

4.2 Response rate

Response rate is the scope to which the final data includes all sample questions to be calculated, the total number of people whose items of interview are completed and divided by the number of people in the entire sample (Cohen, West and Aiken, 2013).

The researcher targeted 177 respondents. However, because of unforeseen circumstances, only 110 questionnaires were fully responded and 8 responded to interviews.

Table 4.1: Return Rate

	Questionnaire	Percentage
Returned Questionnaire	110	62.1
Interviews	8	4.6
Non response	59	33.3
Total	177	100.0

From Table 4.1, it was observed that out of the 177 questionnaires administered 110(62.1%) were returned filled and returned as 8 (4.6%) interviewed, leaving 59(33.3%) not returned. Considering similar return rate by Nzisa, Njeje, &Namiida, (2017), 60% return rate was sufficient enough to be used for analysis. Therefore, a questionnaire return rate of 66.7% was found sufficient for further analyses to be conducted.

4.3 Reliability Results

Reliability analysis yielded Cronbach alpha value of 0.8398, which meant the instrument was reliable and suitable to be used data collection.

Table 4.2: Reliability Analysis Results

Reliability Statistics

Variables	Cronbach's Alpha No. of Items	
Involvement culture	0.705	7
Consistency culture	0.706	7
Adaptability culture	0.706	8
Mission culture	0.816	8
Organization factors	0.799	3
Performance	0.806	3
Overall Alpha value	0.755	

Involvement culture, consistency culture, adaptability culture, mission culture, organizational factors.

4.4 Demographic Information of Respondents

This section presents the analysis of respondents' gender, experience, designation and level of education by use of frequencies and percentages. The results obtained were summarized under specific sub-sections.

Table 4.3: Descriptive Information on Demographics

Gender	Frequency	Total Percentage
Male	49	44.5
Female	61	55.5
Total response	110	100
Level of Education		
O-Level	13	11.82
College level	26	23.64
University level	71	64.54
Total response	110	100
Working experience		
Less than 5 years	15	13.64
5-10 years	30	27.27
10-15 years	37	33.64
15-20 years	16	14.54
Above 20 years	12	10.91
Total response	110	100
Designation		
Corporate	29	26.36
Retail	31	28.18
HRD	18	16.36
ICT	6	5.45
Credit	11	10
Others	15	13.64
Total response	110	100

Source: Resource Data (2023)

From table 4.3, it is apparent that majority of the respondents with a statistical frequency of 61 representing 55.5% of the sample size were males while the remaining 49 respondents representing 44.5% of the respondents were female.

The one-to-one ratio is an indicator of the improvements witnessed in involving the female gender in formal employment. It also shows that deliberate measures/initiatives

both locally and globally to empower the female gender is bearing fruits as evidenced by the increase in their numbers within the formal employment including within KCB Bank. The high number of the female gender has a corporate culture dimension especially in justifying the policies within organizations on affirmative action and gender equality mainstreaming on matters employment and promotions. It also brings out the diversity aspect within organizations including KCB Bank.

The table 4.3 reveals that majority of the respondents with a statistical frequency of 71 representing 64.54% of the respondents held university level qualifications. 26 respondents at 23.64% had college educations. Respondents who held the 0-Level academic qualification were the least represented with a frequency of 13 representing 11.82% of the respondents. The statistics indicate that majority of the employees are university level graduates which. This implies that KCB Bank prefers to employ University level graduates.

The table 4.6 reveals that majority of the respondents that were used in the study with a statistical frequency of 31 representing 28.18% were working in the Retail Division; followed closely by 29 respondents representing a statistical percentile of 26.36% of the respondents who worked in the Corporate Division. Similarly, 18 respondents representing a statistical percentile of 16.36% of the respondents worked in the HRD Division. 11 respondents representing 10% and 6 respondents representing 5.45% of the sample size worked in the Marketing and ICT Divisions respectively. The remaining

respondents (15) worked in other organizational units/divisions such as the Shared Services Division, Risk Division, Legal and the Auditing Divisions to mention a few.

4.4 Descriptive Statistics

In this section, the study outlines the descriptive interaction among the study variables. The various aspects of involvement culture, mission culture, consistency culture and the adaptability culture were subjected to the study respondents to establish the existing corporate culture of KCB Bank. The responses to the various aspects of corporate culture were rated on a scale on 1 to 5 which would indicate the strength of each aspect of corporate culture depending on where the mean is inclined. The average of the mean of the involvement culture, mission culture, consistency culture and adaptability demonstrate the strength of each of the four ingredients of corporate culture within KCB Bank.

4.3 Corporate Culture, Organizational Factors and Performance Descriptive Statics

4.3.1 Effect of Involvement Culture on Performance of Kenya Commercial Bank

Here the researcher wanted to establish the extent with which KCB Bank accomplishes its objectives around organizational teams, employee's empowerment as well as developing the capability of the employees in virtually all organizational levels. The respondents were supposed to give their responses based on a rating scale where 1 represents strongly disagree, 2 represents disagree, 3 represents undecided, 4 represents agree and 5 represents strongly agree. The responses that were gathered were summarized in the table below.

Table 4.4: Effect of Involvement Culture on Performance of Kenya Commercial Bank

Involvement culture	1		2		3		4		5	
	F	P	F	P	F	P	F	P	F	P
Input is solicited from all	10	9.09%	6	5.45%	15	13.64%	37	33.64%	42	38.18%
Information is shared openly and freely	4	3.64%	8	7.27%	19	17.27%	32	29.09%	47	42.73%
Trust exists between management and employee	4	3.64%	9	8.18%	13	11.82%	33	30 %	51	46.36%
High performance is valued, rewarded, and recognized	5	4.54%	10	9.09%	15	13.64%	37	33.64%	43	39.09%
Teamwork is promoted and encouraged	8	7.27%	6	5.45%	14	12.73%	44	40%	38	34.55%
Emphasis is placed on cooperation and consensus	6	5.45%	10	9.09%	13	11.83%	42	38.18%	39	35.45%
KCB has engaged workforce	4	3.64%	7	6.36%	21	19.09%	29	26.36%	49	44.55%

Source: Resource Data (2023)

The table 4.4 reveals that, ensuring that trust exists between employees and the management is the leading involvement culture strategy that the organization uses to influence employee performance as evidenced by the higher mean score of 4.4; followed closely by having an engaged workforce which has the second highest mean score of

4.01. The least used involvement culture options within the organization are the solicitation of inputs from all employees who would be affected by a decision.

From the table 4.7, the responses gathered on the question of whether input is solicited from all employees who might be affected by the decision revealed that, 42 respondents representing 38.18% of the sample size strongly agreed to this statement, followed closely by 37 respondents at 33.64% who agreed that input is solicited from all who would be affected by a decision. 15 respondents at 13.64% were undecided on whether input was solicited from all employees who would be affected by a decision. 10 respondents at 9.09% and 6 respondents at 5.45% strongly disagreed and disagree respectively that input was solicited from all employees who would be affected by a decision. These findings are further validated in the interview because the study established from the respondents that the management style that is used by the organization is an all-inclusive management style. The style entails soliciting information from virtually all organizational levels and ensuring all stakeholders are involved in the decision-making process.

In addition, on the question to the respondents on whether information is shared openly and freely in the organization, the responses that were gathered revealed that, majority of the respondents with a frequency of 47 representing 42.73% of the sample size strongly agreed that information is shared freely and openly in the organization. 32 respondents at 29.09% also agreed to the researchers' statement. 19 respondents at 17.27% were undecided on whether information is shared freely and openly within the organization.

While 8 respondents at 7.27% and 4 respondents at 3.64% disagreed and strongly disagreed respectively that information was shared freely and openly within the organization.

The respondent's feedback on whether trust exists between management and workers representatives, the data collected from the participants revealed that, 51 respondents at a statistical percentile of 46.36% and 33 participants representing 30% of the received responses strongly agreed and agreed respectively to the reality that trust exists between workers representatives and management. 13 respondents at 11.82 % were undecided on whether trust existed between management and employee's representatives. Only 9 respondents at 8.18% and 4 respondents at 3.64% disagreed and strongly disagreed that trust existed between employee representatives and management. The findings of this study are further validated in the interview because the respondents also agreed that a good, concrete, and mutual relationship based on open communication, trust and honesty existed between management and employee representatives.

Similarly, the study participants' responses on whether high performance was valued, appreciated, and rewarded in the organization revealed that, 43 respondents at 39.09% and 37 respondents at 33.64% respectively strongly agreed and agreed that high performance was valued in the organization. The researcher attributes this to the reality that, employee appraisal decisions are made solely based on employee performance. In addition, employees who achieve their targets are given financial rewards and non-financial rewards such as promotion and other forms of recognition. 15 representing

13.64% of the sample size were undecided on whether high performance was valued, rewarded, and recognized within the organization. The remaining respondents thus 10 respondents representing 9.09% and 5 respondents representing 4.54% of the respondents respectively disagreed and strongly disagreed that high performance is valued, recognized, and rewarded within the organization. The researcher postulates that the employees who said that high performance is not recognized, valued, and rewarded in the organization are probably those employees who do not attain their targets and hence cannot be rewarded for underperforming. The findings of the study were further verified using the interview since majority of employee representatives and senior managers that were used in the study said that employees who achieve their targets are given bonuses and other forms of rewards such salary increments. In addition, employee promotion and placement which are key reward components are carried out based on employee performance.

Conversely, the study participants responses on whether teamwork is promoted and encouraged in the organization revealed that 38 respondents at a statistical percentile of 34.55% and 44 respondents representing 40% of the respondents respectively strongly agreed and agreed that the organization encouraged teamwork. 14 respondents representing 12.73% of the respondents were undecided on whether the organization encouraged and promoted teamwork. 8 respondents at 7.27% and 6 respondents at 5.45% of the respondents respectively strongly disagreed and disagreed that teamwork is encouraged and promoted in the organization. The researcher attributes the employees who said that teamwork is not encouraged and promoted in the organization to those

employees who work late and appear to be overworked such as staff in Head office units and operations departments within Branches.

In addition, on the question of whether the organization (KCB) puts emphasis on cooperation and consensus, the data collected revealed that 42 respondents at 38.18% agreed with the statement, followed closely by 39 respondents representing 35.45% of the respondents who strongly agreed to the researchers' statement. 13 respondents at 11.83% were undecided on whether the organization emphasized on cooperation and consensus building. 6 respondents at 5.45% and 10 respondents at 9.09% respectively strongly disagreed and disagreed that the bank emphasized on collaboration and consensus collaboration.

To sum it all, responses on whether the organization has engaged work force revealed that majority of the respondents with a frequency of 49 representing 44.55% strongly agreed that the Bank had employees who were engaged. 29 respondents representing 26.36% also agreed that the Bank has an engaged workforce, followed closely by 21 respondents representing 19.09% who were undecided on whether the bank had employees had engaged workforce. However, 7 respondents and four respondents representing 6.36% and 3.64% respectively disagreed and strongly disagreed that the Bank had an engaged workforce.

From the study findings, involvement culture is strong in KCB Bank. This conclusion is supported by the study findings which has an average mean of 3.96 based on the seven

factors considered as key in the involvement culture. There is a possibility that there is a direct correlation between a strong involvement culture and the improved performance experienced by KCB. The study findings agreed with previous studies which confirmed that involvement culture has a positive relationship with organizational performance. In the study Sofijanova and Chatleska (2013) on employee involvement and organizational performance, it was statistically confirmed that effective use of employee involvement is positively related to organizational performance.

4.3.2 Effect of Consistency Culture on Performance of Kenya Commercial Bank

This section of the research project sought to determine whether the organization uses well-coordinated, well integrated and highly consistent processes, which are based on a set of values, principles, and organizational rules. Cultural consistency ensures that employees work towards attaining one organizational objective even when employees have divergent points of view. The responses of the respondents were based on a rating scale where 5 represents strongly agree and 1 represents strongly disagree. The responses that were gathered from the participants were summarized in the frequency distribution table below.

Table 4.5: Effect of Consistency Culture on Performance of Kenya Commercial Bank

Consistency culture	1		2		3		4		5	
	F	P	F	P	F	P	F	P	F	P
Compliance to rules and regulations is expected and enforced	12	10.91%	15	13.64%	17	15.45%	31	28.18%	35	31.82%
Rules are broken anytime	47	42.73%	38	34.55%	10	9.09%	9	8.18%	6	5.45%
Many exemplary employees exist in the organization	5	4.54%	7	6.36%	13	11.82%	39	35.46%	46	41.82%
The business approach is based on consistency and predictability	11	10%	7	6.36%	18	16.37%	40	36.36%	34	30.91%
Time is taken to do things right	2	1.82%	5	4.55%	4	3.64%	50	45.45%	39	35.45%
Employees are motivated and loyal to the organization	19	17.27%	6	5.45%	20	18.19%	37	33.64%	28	25.45%
The authority of leaders is respected	20	18.18%	18	16.36%	12	10.91%	26	23.65%	34	30.91%

Source: Resource Data (2023)

The mean score column in the table 4.5 reveals that, having many exemplary employees in the organization is the leading consistency culture alternatives that the organization uses to enhance organizational and individual performance. On the contrast, the least used consistency culture options that the organization use to enhance its performance is breaking the rules and regulations that are set as evidenced.

The table 4.5 shows that when the participants were asked whether the organization expects close compliance to rules and procedures that have been established, the research established that majority of the respondents with a frequency of 35 respondents

at 31.82% strongly agreed that close compliance to the set rules and regulations is expected and enforced; followed closely by 31 respondents representing 28.18% who agreed to the researchers' statement. However, 12 respondents and 15 respondents representing 10.91% and 13.64% respectively strongly disagreed and disagreed that close compliance to the set rules is expected and enforced. Only 17 respondents representing 15.45% were undecided on whether compliance to the set rules was expected and enforced. The findings of the study are further authenticated by the conducted interviews. During the interview, the respondents revealed that the company does not or rarely accept employees to deviate from the laid down rules. In order to ensure this is realized; disciplinary action is brought against employees who break the laid down rules and procedures.

In addition, the responses on the question on whether the set organizational rules are broken anytime revealed that, 47 respondents at 42.73% and 38 respondents at 34.55% respectively strongly disagreed and disagreed that the set rules were broken anytime. 10 respondents were undecided on whether the rules were broken anytime or not. Only 9 respondents at 8.18% and 6 respondents at 5.45% agreed and strongly agreed that the set rules were broken anytime. When the researcher asked the respondents whether many exemplary employees exist in the organization, the responses gathered revealed that majority of the respondents with a frequency of 46 representing 41.82% of the sample size strongly agreed that the organization had many exemplary employees; followed closely by 39 employees with a statistical percentile of 35.46% agreed that the organization had many exemplary employees. 13 respondents at 11.82% were undecided

on whether the organization had exemplary employees. 5 respondents at 4.64% and 7 respondents at 6.36% of the samples size strongly agreed and agreed respectively that the organization had many exemplary employees.

Additionally, the study participants' responses on whether business approach of the organization is based on consistency and predictability, the data collected revealed that, 34 respondents at 30.91% strongly agreed to the statement. 40 respondents at 36.36% also agreed that the organization approaches its business based on consistency and predictability. However, 11 respondents at 10% and 7 respondents at 6.36% strongly disagreed and disagreed respectively that the business approach of the organization is based on consistency and predictability. The remaining 11 respondents representing 16.37% of the sample size was undecided on whether the business approach of the organization was based on consistency and predictability.

The response to the question on whether enough time is taken to ensure that the right things are done, the researcher revealed that, 50 respondents representing 45.45% and 39 respondents at 35.45% agreed and strongly agreed respectively that enough time was taken to ensure that the right things were pursued. 4 respondents at 3.64 were undecided with the researchers' statement. Only 2 respondents at 1.825% and 5 respondents at 4.55% strongly disagreed and disagreed respectively that enough time was taken to ensure that things are being done in the right way.

The responses on whether employees working for KCB were motivated and loyal to the organization revealed that 37 respondents at 33.64% agreed to the statement, followed closely by 28 respondents at 25.45% that strongly agreed to the researchers' statement. The researcher attributes those respondents who agreed and strongly agreed to the researchers' statement that these respondents had worked for the organization for a considerably long period of time. 20 respondents were neutral on whether employees working for KCB were motivated and loyal. On the contrast, 19 respondents at 17.27% and 6 respondents at 5.45% strongly disagreed and disagreed respectively to the researchers' statement.

To sum it all, when the question to the respondents on whether the authority of leaders within the organization was respected was asked, the data collected from the participants revealed that 34 respondents at 30.91% of the sample size strongly agreed to the fact that the authority of leaders was respected. 26 respondents at 23.65% also agreed to the fact that the authority of the leaders was respected. On the contrast, 20 respondents at 18.18% and 18 respondents at 16.36% respectively strongly disagreed and disagreed to the statement that the authority of the leaders was respected. The remaining 12 respondents representing 10.91% of the sample size were undecided on whether the authority of the leaders was respected.

The study findings reveal a strong consistency culture as supported by an average mean of 3.41 based on the seven key factors under consistency culture. From the study findings, there is a possibility that the good performance of KCB Bank in the recent past

is attributable partly to a strong consistency culture. One among other studies done by Johansson A. (2016) is aligned to these study findings. The study affirmed that what really matters, then, isn't what cultural standards you set but rather the fact that you set them and stick with them over a long period of time. Consistency is what's going to help you reap the benefits of company culture, no matter what kind of culture you want to create.

4.3.3 Effect of Adaptability Culture on Performance of Kenya Commercial Bank

Under this section, the study sought to determine whether the operations of the bank are customer driven. In addition, the researcher sought to establish whether the bank learns from its mistakes, its willingness to accept risks, and whether the bank makes continuous improvements geared towards creating more value to customers. The data collected from the respondents was summarized in the frequency distribution schedule beneath.

Table 4.6: Effect of Adaptability Culture on Performance of Kenya Commercial Bank

Adaptability culture	1		2		3		4		5	
	F	P	F	P	F	P	F	P	F	P
Quick response to changes in the business environment	2	1.82%	20	18.18%	11	10%	36	32.73%	41	37.27%
People are committed towards developing professionally	3	2.73%	2	1.82%	16	14.55%	32	29.08%	57	51.82%
People are friendly and enthusiastic	17	15.45%	6	5.45%	4	3.64%	34	30.91%	49	44.55%
Emphasis is placed on innovation and creativity	13	11.82%	17	15.45%	16	14.54%	34	30.91%	30	27.27%
Calculated risk is accepted and encouraged	4	3.64%	7	6.36%	20	18.18%	32	29.09%	47	42.73%
Many employees have positive attitude	8	7.27%	4	3.64%	16	14.55%	38	34.55%	44	40%
Attempts to introduce change are met with resistance	39	35.45%	33	30%	18	16.36%	12	10.91%	8	7.27%
We have optimistic and positive outlook	6	5.45%	16	14.55%	17	15.45%	38	34.55%	33	30%

Source: Resource Data (2023)

The mean score column in the table above reveals that ensuring that people or employees are committed towards developing professionally is the most dominant

adaptability culture options that the organization uses to achieve organizational performance. Whereas attempts to introduce change being met with a lot of resistance was the least dominant adaptability culture components that the organization uses to enhance organizational performance. The low mean on this question should however be considered positively in support of a strong factor which supports a strong adaptability culture since it basically means introduction of change is not resisted.

From the table 4.6above, it is evident that responses to the question on whether employees respond quickly to changes in the environment revealed that majority of the respondents with a frequency of 41 representing 37.2% of the sample size strongly agreed that they respond quickly to changes in the business environment; followed closely by 36 respondents representing 32.73% of the respondents who agreed that they respond quickly to changes in the environment. However, 2 respondents at 1.82% and 20 respondents at 18.18% respectively strongly disagreed and disagreed that they did not respond quickly to changes in the business environment. The remaining respondents (11) representing 10% of the sample size were undecided on whether their response to changes in the business environment was quick or not.

When the respondents were asked whether they were committed to developing themselves professionally, the responses gathered revealed that majority with a frequency of 57 representing 51.82% and 32 respondents representing 29.08% of the respondents respectively strongly agreed and agreed that employees were committed towards developing themselves professionally. 16 respondents representing 14.55% of

the study sample were undecided on whether employees were committed towards developing themselves professionally. Minority of the respondents either disagreed (2) or strongly disagreed (3) that employee was committed to developing themselves professionally.

Additionally, the question on whether employees were friendly and enthusiastic elicited responses which revealed that, 49 respondents at 44.55% strongly agreed to the researcher's statement. 34 respondents at 30.91% agreed that KCB employees are both friendly and enthusiastic. However, 17 respondents at 15.45% and 6 respondents at 5.45% respectively disagreed to the researchers' statement. The remaining 4 respondents representing 3.64% of the sample size were undecided on whether people were friendly and enthusiastic. KCB values of being inspiring, simple and friendly are aligned to the study findings where majority of the staff in KCB were found to be friendly and enthusiastic.

On the same breath, when the participants in the study were asked whether strong emphasis was put on encouraging innovation and creativity, the data collected revealed that, 34 respondents with a statistical percentile of 30.91% agreed to the researchers' statement; followed closely by 30 respondents representing 27.25 of the sample size who strongly agreed to the researchers' statement. 16 respondents were however undecided on whether strong emphasis was put in place to promote innovation and creativity. 17 and 13 respondents respectively disagreed and strongly disagreed that emphasis to promote creativity and innovation were encouraged.

Similarly, when the researcher asked the respondents whether calculated risk is accepted and encouraged within the organization, the researcher established that, 47 respondents and 32 respondents representing 42.73% and 29.09% respectively strongly agreed and agreed that the organization accepted and encouraged calculated risks. 4 respondents and 7 respondents representing 3.64% and 6.36% in the same order strongly disagreed and disagreed to the researchers' statement. The remaining respondents (20) were undecided on whether the organization accepted and encouraged its employees to take calculated risks.

Additionally, when the participants were asked whether employees have positive attitude, it was revealed that 44 respondents with a statistical percentile of 40 and 38 respondents with a statistical percentile of 34.55% strongly agreed and agreed that employees working for KCB have a positive attitude. 16 respondents were undecided whether KCB employees had a positive attitude. The remaining respondents either disagreed (4) or strongly disagreed (8) on whether KCB employees had a positive attitude.

The responses to the question on whether attempts to introduce change within the organization are met with resistance revealed that, 39 respondents representing 35.45% and 33 respondents representing 30% of the study sample strongly disagreed that organizational changes are met with a lot of resistance. 12 respondents and 8 respondents representing 10.91% and 7.27% respectively agreed and strongly agreed that organizational change is met with resistance. The remaining 18 respondents

representing 16.36% were undecided on whether organizational change was met with resistance or not.

From the study findings, adaptability culture findings imply that KCB Bank has a very strong adaptability culture which anchors high sustainable performance. Previous studies have revealed that companies with strong adaptive cultures outperformed other companies by a significant margin. The study findings are therefore in line with the previous study findings by Kotter and Heskett (1998).

4.3.4 Effect of Mission Culture on Performance of Kenya Commercial Bank

Here the researcher sought to determine whether the participants that were used for the study understood the vision, strategic objective, and where the organization desires to be in the future. In addition, the researcher sought to determine the role that different stakeholders such as employees, supervisors and management play in enabling employees to achieve the organizational objectives, hence enhancing performance. The responses of the respondents were based on a linear scale where 1 represents strongly disagree and 5 represents strongly agree. The data that was collected gathered from the respondents was tabulated in the table below.

Table 4.7: Effect of Mission Culture on Performance of Kenya Commercial Bank

Mission culture	1		2		3		4		5	
	F	P	F	P	F	P	F	P	F	P
All employees know the company's values	11	10%	14	12.73%	27	24.54%	26	23.64%	32	29.09%
Strong emphasis are placed on values and ethics	-	-	7	6.36%	20	18.18%	36	32.73%	47	42.73%
Our goals are clear, and we look towards them with determination	7	6.36%	5	4.55%	20	18.18%	42	38.18%	36	32.73%
My supervisor is a good role model	-	-	3	2.73%	11	10%	45	40.91%	51	46.36%
I require minimum supervision in my work	-	-	5	4.55%	8	7.27%	40	36.36%	57	51.82%
Great effort is made to produce products and services of high quality	2	1.82%	7	6.36%	20	18.18%	34	30.91%	47	42.73%
We value our customers	3	2.73%	2	1.82%	7	6.36%	37	33.64%	61	55.45%
We strive to achieve dominance in the Banking sector	1	0.91%	-	-	10	9.09%	46	41.82%	53	48.18%

Source: Resource Data (2023)

Striving to achieve market dominance in the Banking sector and valuing customers are the most dominant mission culture options that most respondents said were used by the organization to enhance the performance of the Bank; these two components had a mean score of 4.36 respectively. Similarly, employees who require minimum supervision when doing their work was also a dominant factor that was used by the organization to enhance organizational performance. On the contrast, the least influential mission culture approaches that the organization used to influence organizational performance entails ensuring that all employees know one company values.

The table 4.7 further reveals that, when the respondents were asked whether all KCB employees knew the company's values, the data collected revealed that majority of the respondents with a frequency of 29.09% strongly agreed that all employees knew the

company's values; followed closely by 26 respondents representing 23.64% of the respondents who agreed that all the employees knew the company's values. However, 27 respondents at 24.54% were undecided on whether all the employees knew the company's values. 14 respondents at 12.735% and 11 respondents at 10% respectively disagreed and strongly disagreed to the researcher's statement that all employees knew the company's values.

When the participants in the study were asked whether strong emphasis is placed on organizational values and ethics, their responses revealed that, 47 respondents at 42.73% strongly agreed to the statement, followed closely by 36 respondents representing 32.73% of the respondents who also agreed that strong emphasis is placed on organizational values and rules. The researcher attributes this to the reality that, employees who do not adhere to the set organizational values and ethical code risk facing disciplinary action. 20 respondents at 18.18% were undecided on whether strongly emphasis was placed on the set organizational values and ethical codes. Only 7 respondents representing 6.36% of the sample size disagreed to the researchers' statement that emphasis was placed on the set values and ethical codes.

Responses on whether their KCB Bank goals are clear to employees and whether they look at them with determination and zeal revealed that the following: 36 respondents at 32.73% and 42 respondents at 38.18% strongly agreed and agreed respectively that the goals were clear and they look towards achieving them with determination and zeal. 20 respondents at 18.18% were however undecided on whether their goals were clear and

whether they looked towards them with determination and zeal. The remaining 7 and 5 respondents representing 6.36% and 4.55% respectively strongly disagreed and disagreed that their goals are clear, and they looked towards attaining them with determination and zeal.

Similarly, when participants were asked whether their supervisors were good role models, the data collected revealed that majority of the respondents at 51 representing 46.36% of the sample size strongly agreed that their supervisors were good role models, followed closely by 45 respondents representing 40.91% of the respondents who said that their supervisors were good role models. 3 and 11 respondents respectively representing 2.73% and 10 % respectively disagreed and were undecided on whether their supervisors were good role models. The findings of the study were like the responses that were collected from senior managers and employee representatives. The rationale being, majority of this group of participants said that the organization has many role models that employees can look up to. The researcher established that KCB on boards employees who have exemplary social, professional, and academic records. In addition, the organization on boards employees with a good track record both professionally, socially, and academically. These factors are essential in inspiring other employees in the workplace.

When the question on whether employees require minimum supervision when doing their work was asked, the data collected revealed that; 57 respondents and 40 respondents representing 51.82% and 36.36% respectively strongly agreed and agreed

that they required minimum supervision when doing their work. 8 respondents at 7.27% were undecided on whether they required minimum supervision when doing their work. The remaining 5 respondents representing 5.54% of the sample size disagreed to the researchers' statement that they required minimum supervision when doing their work. Additionally, responses on whether the Bank valued their customers revealed that, 61 respondents representing 55.45% strongly agreed that they treated their customers as valuable assets. 33 respondents representing 33.64% also agreed to the researchers' statement. However, 3 respondents at 2.72% and 2 respondents at 1.82% of the sample size strongly disagreed and disagreed respectively to the researchers' statement that they valued customers. The remaining 7 respondents representing 6.36% were undecided on whether the customers were valued.

To sum it all, the study respondents' position on whether they strive to achieve market dominance in the Banking sector revealed that, 53 respondents representing 48.18% and 46 respondents representing 41.82% strongly agreed and agreed respectively that they strive to achieve dominance in the Banking sector, whereas 10 respondents representing 9.9% were undecided about the researchers' statement.

The findings from the study indicate a strong mission culture for KCB Bank from the 8 factors representing mission culture. There is a probability that the strong mission culture supports the good performance of KCB Bank. The finding regarding a strong mission culture for KCB is aligned to other study findings which confirm that strong mission culture directly supports good performance. Ohmae, (1982) says that 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. In the general, the researcher postulates that KCB Bank has a strong corporate culture as supported by the research findings. The study findings indicate that KCB Bank has a strong corporate culture which appears to be positively influencing the improved performance.

4.4 Diagnostic Tests

Table 4.8: Multi-collinearity Test

Variable	Tolerance	VIF
Involvement culture	.129	4.621
Consistency culture	.341	2.796
Adaptability culture	.530	1.892
Mission culture	.136	6.488
Organizational factors	.189	6.741
Performance	.251	6.891

From the table 4.8 shows the Multi-collinearity test undertaken, Multi-collinearity is where two or more independent variables are highly correlated. When multi-collinearity increases, it makes the regression coefficient to fluctuate which complicates the interpretation of the coefficient as an indicator of predicting variables (Cooper & Schindler 2015). Multi-collinearity can be corrected by excluding one or more of the corrected independent variable from the regression model (Lind, Marchal & Wathen,

2018). Multi-collinearity was tested using variance inflation factors (VIF) or tolerance values. If VIF values are below 10 then rule of the thumb is there is no multi-collinearity problem or when the tolerance values have a value of one or less hence no multi-collinearity.

Table 4.9: Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Involvement culture	.188	110	.000	.867	110	.000
Consistency culture	.169	110	.000	.890	110	.000
Adaptability culture	.148	110	.000	.905	110	.000
Mission culture	.209	110	.000	.808	110	.000
Organization factors	.109	110	.000	.816	110	.000
Performance	.180	110	.000	.875	110	.000

Statistical errors are common in literature; many parametric procedures in correlation, regression are based on assumption of normal distribution. If this assumption does not hold it will be impossible to draw a reliable conclusion. The Shapiro-Wilk test relies on correlation between data and corresponding normal scores. Shapiro-Wilk test gives better power. Ghasemi and Zahedias (2012) posit that Kolmogorov-Smirnov test is a popular test for normality that considers highly sensitive extreme values. It has low power thus should not be seriously considered in testing normality especially when parameters regardless of the sample are estimated from the data. Kolmogorov-Smirnov should be used with caution due to its low power and recommends that normality be assessed visually. From the table 4.8 for all variables reject their null hypotheses that the data sets for the variables are not normally distributed when both Kolmogorov-Smirnov test and Shapiro-Wilk were used as the significance was < 0.05 .

Normality should be assessed visually. With large samples (<30 or 40) the violation of normality assumption should not cause major problems (Oztuna, Elhan & Tuccar, 2016). Thus we can use parametric procedures as in large samples (<30 or 40) sampling distribution tend to be normal regardless of the shape of the data. Thus the data showed normal distribution.

4.6 Inferential Statistics

4.6.1 Pearson Correlation Matrix

Table 4.10: Correlation Matrix

		Pearson Correlations					
		Involvement culture	Consistency culture	Adaptability culture	Mission Culture	Organization factors	Performance
involvement_culture	Pearson Correlation	1	.739**	.762**	.766**	.295**	.584**
	Sig. (2-tailed)		.000	.000	.000	.002	.000
	N	110	110	110	110	110	110
Consistency_Culture	Pearson Correlation	.739**	1	.837**	.837**	.310**	.541**
	Sig. (2-tailed)	.000		.000	.000	.001	.000
	N	110	110	110	110	110	110
Adaptability_Culture	Pearson Correlation	.62**	.837**	1	.796**	.373**	.566**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110
Mission_Culture	Pearson Correlation	.766**	.737**	.796**	1	.383**	.576**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110
Organization_factors	Pearson Correlation	.295**	.310**	.373**	.383**	1	.517*
	Sig. (2-tailed)	.002	.001	.000	.000		.023
	N	110	110	110	110	110	110
Performance	Pearson Correlation	.584**	.541**	.566**	.576**	.517*	1
	Sig. (2-tailed)	.000	.000	.000	.000	.023	
	N	110	110	110	110	110	110

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Field data (2023)

A value of below 0.9 indicates lack multicollinearity in Pearson correlation values. Correlation value for involvement culture was 0.584, consistency culture 0.541, Adaptability culture 0.566 and Mission Culture 0.576, 0.517 hence no multicollinearity as all values were below 0.9.

4.6.2 Simple Linear Regression Analysis

This tested the direct effect of independent variables (involvement culture, Consistency culture, Adaptability culture and Mission Culture) on dependent variable (performance).

4.6.2.1 Simple Linear Regression Results on Involvement culture and Performance of Kenya Commercial Bank

Simple linear regression analysis was conducted to establish the relationship between involvement culture and Performance of Kenya Commercial Bank. The R square was used to establish contribution of involvement culture on Performance of Kenya Commercial Bank. The results are as shown in Table 4.11.

**Table 4.10: Simple Linear Regression Results on Involvement culture
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Durbin-Watson	
						F Change	df1	df2		
1	.584 ^a	.341	.335	.47831	.341	55.910	1	108	.000	1.331

ANOVA^b

Model		Sum of Squares	df	Mean Square	F
1	Regression	10.977	1	10.977	55.910
	Residual	26.522	108	.246	
	Total	37.499	109		

a. Predictors: (Constant), Involvement culture

b. Dependent Variable: Performance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error			
1	(Constant)	.922	.347		2.655	.009
	involvement_culture	.715	.096	.584	7.477	.000

a. Dependent Variable: Performance

Source: Field data (2023)

Having regard to the model summary involvement culture accounted for 34.1% of variation in performance. The ANOVA table indicated that involvement culture is good predictor of Performance of Kenya Commercial Bank as it was significant at 95% confidence level (F=55.910, P=0.000). Further in relation to the coefficient table involvement culture influenced Performance of Kenya Commercial Bank.

The results are represented in the following model:

$$Y = \beta_0 + \beta_a X_a + \varepsilon$$

Where Y= Performance of Kenya Commercial Bank,

$\beta_0=0.922$ (constant)

$\beta_1= 0.715$

$X_a=$ Involvement Culture

Replacing in the equation above: $Y=0.922 + 0.715X_a$

This study agrees with Lawler (2016) who established that organizations that have well-integrated and coordinated culture achieve higher performance. The study found Involvement Culture to be of significant effect on performance.

4.6.2.3 Simple Linear Regression Results on Consistency Culture and Performance of Kenya Commercial Bank

Simple linear regression analysis shows Consistency Culture and Performance of Kenya Commercial Bank. Table 4.11 presents the results.

Table 4.11: Simple Linear Regression Results on Consistency Culture

Model Summary^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F	Change	df1 df2		
1	.541 ^a	.293	.286	.49555	.293	44.700	1	108	.000	1.348

a. Predictors: (Constant), Consistency culture

b. Dependent Variable: Performance

ANOVA^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.977	1	10.977	44.700	.000 ^a
	Residual	26.522	108	.246		
	Total	37.499	109			

a. Predictors: (Constant), Consistency culture

b. Dependent Variable: Performance

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.377	.321		4.294	.000
	Consistency Culture	.607	.091	.541	6.686	.000

a. Dependent Variable: Performance

Source: Research data (2023)

The values demonstrated indicate significant and positive relationship on Consistency culture and Performance of Kenya Commercial Banks. Consistency culture accounted for 29.3% ($R^2 = 0.293$). The F value was more than zero, $F=44.700$, $P=.000$, hence,

Consistency culture is a significant predictor on Performance of Kenya Commercial Banks.

Consistency culture had a linear, significant and positive association on Performance of Kenya Commercial Banks ($P < 0.05$) {regression coefficient, $B = 0.541$, and $t = 6.686$ }. The model presents the findings:

$$Y = \beta_0 + \beta_b X_b + \varepsilon$$

Where Y = Performance of Kenya Commercial Bank,

$$\beta_0 = 1.377 (\text{constant})$$

$$\beta_b = 0.607$$

X_v = Consistency culture

$$Y = 1.377 + 0.607 X_2$$

From the above model, the constant had coefficient of 1.377, Implication on Consistency culture on Performance of Kenya Commercial Bank would be positively at 0.00 hence significant ($P > 0.05$). These results are in tandem with Pankaj (2013) who revealed that, Consistency culture significantly affected organization performance.

4.6.2.3 Simple Linear Regression Results on Adaptability Culture

Simple linear regression on the association between Adaptability Culture and Performance of Kenya Commercial Bank was established.

Table 4.12: Simple Linear Regression Results on Adaptability Culture and Performance of Kenya Commercial Bank

Model Summary^b									
Change Statistics									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	Sig. F Change	Durbin-Watson
1	.566 ^a	.321	.314	.48564	.321	51.001	1 108	.000	1.325

a. Predictors: (Constant), Adaptability culture

b. Dependent Variable: Performance

ANOVA^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.028	1	12.028	51.001	.000 ^a
	Residual	25.471	108	.236		
	Total	37.499	109			

a. Predictors: (Constant), Adaptability culture

b. Dependent Variable: Performance

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	.990	.354		2.796	.006
	Adaptability culture	.706	.099	.566	7.141	.000

a. Dependent Variable: Performance

Source: Field data (2023)

The findings were that Adaptability culture had a linear, positive and significant association on Performance of Kenya Commercial Bank. Adaptability culture accounted for 32.1% ($R^2 = 0.321$) variations, F value was more than zero, $F=51.001$, $P=.000$,

therefore, Adaptability culture emerged significant measure on Performance of Kenya Commercial Bank. The (($P > 0.05$) as regression coefficient, ($B = 0.566$), as $t = (7.141)$). The model is hereby generated

$$Y = \beta_0 + \beta_c X_c + \varepsilon$$

Where $Y =$ Performance of Kenya Commercial Bank

$\beta_0 = 0.990$ (value that is constant)

$\beta_c = 0.706$

$X_c =$ Adaptability culture

This generates: $Y = 0.990 + .706X_3 + \varepsilon$

The implication is an additional unit of Adaptability culture leads to an additional unit on Performance of Kenya Commercial Bank by 32.1%. The findings agrees with Ambrose and Cropanzano (2010) who established that adaptability culture has a direct impact to organizational performance.

4.6.2.4 Simple Linear Regression Results on Mission Culture and Performance of Kenya Commercial Bank

Simple linear regression for Mission Culture association and performance of Kenya Commercial Bank is presented in Table 4.13 summary.

Table 4.13: Simple Linear Regression on Mission Culture

Model Summary^b										
Model	R	Adjusted R Square			Change Statistics				Sig. F Change	Durbin-Watson
		R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2			
1	.576 ^a	.332	.326	.48162	.332	53.664	1	108	.000	1.341

a. Predictors: (Constant), MissionCulture

b. Dependent Variable: Performance

ANOVA^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.448	1	12.448	53.664	.000 ^a
	Residual	25.051	108	.232		
	Total	37.499	109			

a. Predictors: (Constant), MissionCulture

b. Dependent Variable: Performance

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.985	.346		2.846	.005
	Mission_Culture	.707	.097	.576	7.326	.000

a. Dependent Variable: Performance

Source: Research data (2023)

There exists a significant and positive association on Mission culture and Performance of Kenya Commercial Bank. Mission culture accounted for 33.2% ($R^2 = 0.332$) variations, the F value was more than zero, $F=53.664$, $P=.000$, thus, Mission culture is a valuable measure on Performance of Kenya Commercial Bank.

Mission culture had a linear positive but significant ($P < 0.05$), {regression coefficient, $B = 0.765$, $t = 7.234$ }. The model values are:

$$Y = \beta_0 + \beta_d X_d + \varepsilon$$

Where Y = Performance of Kenya Commercial Bank

$$\beta_0 = 0.985 \text{ (constant)}$$

$$\beta_d = 0.707$$

X_d = Mission culture

The model values are: $Y = 0.985 + 0.707 X_d$

Factors being constant, a unit added on Mission culture significant leads to additional unit on Performance of Kenya Commercial Bank by 33.2%. The study further agrees with For instance, Germain and Cooper (2016) in their study established that mission culture, especially having a mission statement improves employee performance translating to increased organizational performance because mission culture ensures that employees are committed to their work.

4.6.3 Multiple Regression analysis results

The multiple regression analysis was conducted to establish the joint effect of the independent variables (involvement culture, Consistency culture, adaptability culture and mission culture) on (Performance of Kenya Commercial Bank) variables was sought. Table 4.14 illustrates the results.

Table 4.14: Multiple Regression Analysis Results

Model Summary^b										
Change Statistics										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.622 ^a	.387	.357	.47017	.387	13.126	5	104	.000	1.423

a. Predictors: (Constant), Organization_factors, involvement_culture, Consistency_culture, Adaptability_culture, Mission_Culture

b. Dependent Variable: Performance

ANOVA^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.508	5	2.902	13.126	.000 ^a
	Residual	22.991	104	.221		
	Total	37.499	109			

a. Predictors: (Constant), Organization_factors, involvement_culture, Consistency_culture, Adaptability_culture, Mission_Culture

b. Dependent Variable: Performance

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	.751	.377		1.991	.004
	involvement_culture	2.027	.713	1.656	2.843	.005
	Consistency_culture	1.152	.465	1.028	2.478	.001
	Adaptability_culture	-1.554	1.088	-1.246	-1.428	.001
	Mission_Culture	-1.004	1.469	-.818	-.683	.006
	Organization_factors	.144	.084	.188	1.710	.090

a. Dependent Variable: Performance

Source: Field data (2023)

Table 4.14 shows involvement culture, Consistency culture, adaptability culture and mission culture yielded The (R²) is 0.387 hence 38.7% of variation in Performance of

Kenya Commercial Bank. A study by Robinson (2012) also contends that corporate culture affects employee and organizational performance, because corporate culture is the basis of motivation, communication, and mutual understanding. If these factors are fulfilled in satisfactory levels the performance of the employees will increase and vice versa.

The Multiple regression equation;

$$Y = \beta_0 + \beta_a X_a + \beta_b X_b + \beta_c X_c + \beta_d X_d + \varepsilon$$

$$Y = -0.751 + 2.027X_a + 2.027X_b + 1.152X_c - 1.554X_d - 1.004 + 0.144$$

Thus;

y = Performance of Kenya Commercial Bank

X_a = Involvement culture

X_b = Consistency culture

X_c = Adaptability culture

X_d = Mission Culture

4.6.4 Moderating Effect of Organizational Factors on the Relationship Between Corporate Culture and Performance of KCB

Table 4.15: Moderating Effect of Organizational Factors on the Relationship Between Corporate Culture and Performance of KCB

Model Summary^f

Mod el	R	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics				Sig. F Change	Durbin- Watson
					F Chang e	df1	df2			
1	.584 ^a	.341	.47831	.341	55.910	1	108	.000		
2	.591 ^b	.350	.47733	.009	1.444	1	107	.232		
3	.608 ^c	.369	.47237	.019	3.260	1	106	.074		
4	.608 ^d	.370	.47446	.000	.066	1	105	.798		
5	.622 ^e	.387	.47017	.017	2.923	1	104	.090	1.423	

a. Predictors: (Constant), involvement

culture

b. Predictors: (Constant), involvement culture,

Consistency culture

c. Predictors: (Constant), involvement culture, Consistency

culture, Adaptability culture

d. Predictors: (Constant), involvement culture, Consistency culture, Adaptability culture, Mission Culture

e. Predictors: (Constant), involvement culture, Consistency culture, Adaptability culture, Mission Culture, Organization factors

f. Dependent Variable: Performance

Source: Research Data (2023)

Before moderation the R squared in multiple regression was 0.387 and after moderation r squared in model 6 remained 0.387 meaning organization factors had no moderating effect. Furthermore during multiple regression the significance value for organization factors was 0.090 which is greater than 0.05 baseline significance value hence insignificant. Therefore we accept the null hypothesis that organizational factors have no moderating significant effect on relationship between corporate culture and performance of Kenya Commercial Bank. The findings agree with Yilmaz and Ergun (2018) who found out that organizational factors impact insignificantly on corporate culture and organizational performance.

4.6.5 Hypothesis testing

Table 4.16 Hypothesis testing

Objective	Hypothesis	Decision
1. To establish the effect of Involvement culture on the performance of Kenya Commercial Bank	H₀₁ : There is no significant relationship between involvement culture and the performance of Kenya Commercial Bank.	Rejected
2. To establish the effect of consistency culture on the performance of Kenya Commercial Bank	H₀₂ : There is no significant effect of consistency culture on the relationship between corporate culture and the performance of Kenya Commercial Bank.	Rejected
3. To establish the effect of adaptability culture on the performance of Kenya Commercial Bank	H₀₃ : There is no significant effect of adaptability culture on the relationship between corporate culture and the performance of Kenya Commercial Bank.	Rejected
4. To establish the effect of mission culture on the performance of Kenya Commercial Bank	H₀₄ : There is no significant effect of mission culture on the relationship between corporate culture and the performance of Kenya Commercial Bank.	Rejected
5. To establish the moderating effect of organizational factors on the relationship between corporate culture and performance of Kenya Commercial Bank	H₀₅ : The organizational factors have no moderating significant effect on relationship between corporate culture and performance of Kenya Commercial Bank	Accepted

The rejection of the entire hypothesis shows that corporate culture sub variables had a positive significant effect on Performance of Kenya Commercial Bank. However organizational factors had no moderating significant effect on relationship between corporate culture and performance of Kenya Commercial Bank.

4.7 Interview Responses

Through the interview guide, the study established the various aspects of corporate culture as applied in the organization. The various aspects of corporate culture were described on the basis of the company's goals, mission and objectives. It was also described on the basis of existing culture, the challenges facing the organization and whether the current culture is appropriate to overcome the challenges.

4.4.1 KCB's Corporate Culture

The respondents that were interviewed defined company values as a set of principles or operating philosophies that guide both the internal and external business processes of an entity. According to the respondents, company values play an integral role guiding the relationship between employees, customers, suppliers and all the stakeholders. With this regard, the respondents that were interviewed revealed that KCB's values are Inspiring, Simple, and Friendly. The mission is to be the market leader in providing financial and banking services for a wide range of market segments. The other list of company values that the respondents highlighted include giving back to society through social corporate responsibility, pursuing new creative ideas through innovation, and accountability to mention a few. The respondents said that the company's values are important to KCB Bank because of two primary reasons. First, they play an integral role in guiding the decision-making process. For instance, if the company places emphasis on superior products and service delivery, any factors that would hinder the attainment of this goal are eliminated from the organizational processes. Second, company values define what the company stands for. According to the respondents, maintaining a set of values help

in distinguishing an organization from competitors. When the researcher asked the respondents what management had done to reinforce the company's values; they responded by saying that the company values are linked/institutionalized into all key organizational processes. Staff are also rewarded/recognized for living the KCB values. This ensures that employees continuously get in touch with these values; for instance, including company values in organizational calendars, employee handbooks and Codes of Ethics.

4.4.2 Whether Employees Know the Company's Goals, Mission and Objectives

The respondents that were interviewed had varying degrees of satisfactoriness on whether employees understood company goals, mission, vision, and objectives. Generally, majority of the respondents said that employees understood the organizational values, mission, vision and strategic plan. Similarly, majority of the respondents that were interviewed generally agreed that employees were committed to achieving the organizational goals, vision, and mission. The respondents highlighted that some indicators such as few cases of workplace conflicts, employees reporting on a timely manner in the workplace and reduced turnaround time among other aspects further indicate the commitment of the employees.

4.4.3 Whether Management Faces any Problems Implementing its Corporate Strategy

The phrase corporate strategy refers to the overall scope and direction of a company. The corporate strategy define how different business operations should work together to achieve one organizational objective. The respondents that were interviewed highlighted that in order to succeed in the business environment it is essential to develop an effective

corporate strategy. The respondents further highlighted that the company faces some challenges in implementing its corporate strategy, some of the challenges that were highlighted include communication problems, management adopting an authoritative role which causes confusion among employees that are supposed to implement the corporate strategy, the cost of implementing the corporate strategy is relatively high, and the dynamic and unpredictability of the business environment among other challenges.

4.4.4 Description of the Prevailing Corporate Culture

This question sought to establish the reviews of the respondents that were interviewed concerning the corporate culture that is used by the organization. Generally, the respondents agreed that the current corporate culture is strong. According to them, sharing information freely and openly in the workplace and improved harmony in virtually all organizational levels are good indicators of the strong corporate culture. Most respondents indicated that the prevailing corporate culture is good as evidenced by the improved business performance.

4.4.5 The Performance of KCB

When the respondents were asked to rate the performance of the organization in the past, the responses that were gathered revealed that majority of the respondents agreed that the performance of the Bank has been relatively stable and that it grow from one fiscal period to the other. The respondents attribute this to several factors such as; first, entering new markets – market penetration into new market niches and segments that were not previous served by the Bank which increased the amount of deposits and business transaction translating to improved performance. Second, increasing business scope –

the respondents said that the bank ventured into the provision of new products and services hence enlarging its service and product mix. For instance, providing mortgage financing, investing in SME, giving loans to small and medium scale farmers among other services increased the company's' revenue base which translates to enhanced performance. Third, embracing E-banking and mobile banking – the respondents said that the adoption of mobile banking platforms such as KCB-Mpesa that allow employees to transact business from the comfort of their homes played an integral role in enhancing the performance of the Bank. The other factors that the respondents said could have influenced the past performance of the Bank include the organizational structure of KCB which is a performance driven culture, and the leadership style of managers to mention a few.

Similarly, when the respondents were asked whether the current and past leadership had any role in achieving the performance, majority of the respondents agreed that the performance of the Banks is attributed to the leaders. According to the respondents, the performance of the Bank can be linked to the leaders because of the two primary roles that leaders played, some of the roles include, being role models – the leaders acted as a stepping stone hence allowing the employees to display and use their skills and expertise as well as involving employees in decisions which affect them and the organization and their involvement in the formulation of the strategic plan of the organization.

4.4.6 Whether the Current Corporate Culture is Appropriate in Realizing High Performance.

When the respondents that were interviewed to establish whether the current corporate culture was appropriate in realizing high performance, majority of the respondents agreed that the KCB Bank corporate culture was appropriate. The respondents went on

to give their suggestions on what should be done to ensure that the appropriate culture is maintained and sustained, some of the suggestions that the respondents who were interviewed gave include; encouraging open communication and teamwork, ensure adherence to the organizational core values and principles, ensuring that employees are involved in shaping the corporate culture, and ensuring that employees are motivated, happy and loyal to the organization to mention a few.

4.4.7 Challenges Facing KCB

The objective of the interview question was to determine some of the challenges that have faced KCB Bank both in the past, currently and in the future from the viewpoint of the respondents that were interviewed. Some of the common challenges that the respondents highlighted include; competition which the respondents highlighted that the company faces stiff competition from other Banks, as well as local mobile money transfer services such as Mpesa, mobile money and other digital lenders. These mobile money transfer services provide a huge customer base an ideal platform to save and borrow money at the customers convenience.

Non-performing loans is another challenge in the past, present and probably the future. Most customers borrow loans, but they default within a short time leading to write-offs which is a loss to the Bank. In the recent past, the non-performing loans have been increasing. This affects the sustainability of the high performance currently experienced. Thirdly, the country's economy. When the economy is not growing at the right pace, it affects most businesses leading to closure of businesses and low profits to the Bank.

Fourthly, frauds. The number of frauds is increasing posing a serious risk to the Banking industry. The frauds have become complex especially the digitally committed frauds leading to serious losses. The respondents further said that the current corporate culture is appropriate for tackling the challenges.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings, recommendations, and conclusions. The study findings were summarized according to each specific objective and recommendations were also drawn from the same objectives.

5.2 Summary of the Findings

This section of the dissertation will provide a summary of the findings of chapter four. The study associated these findings to the research objectives that were highlighted in chapter one under three headings. The summary of findings of this research dissertation will be linked to the literature reviewed in chapter two. The study investigated the effects of corporate culture on the performance of an organization, a case study of Kenya Commercial Bank (KCB).

5.2.1 Involvement culture and the performance of Kenya Commercial Bank.

The first objective established the effect of involvement culture on the performance of Kenya Commercial Bank. Most of the participants agreed that there is involvement culture. Simple linear regression results revealed that the involvement culture significantly positive effect on performance of KCB ($R^2 = .341, P < 0.05$). The implication of addition in involvement culture leads to enhanced performance hence null hypothesis that there is no significant relationship between involvement culture and the performance of Kenya Commercial Bank was rejected.

5.2.2 Consistency culture and the performance of Kenya Commercial Bank

The objective assessed the effect of consistency culture on the performance of Kenya Commercial Bank. Majority of the participants agreed that consistency culture had an impact on performance. Simple linear regression indicated that consistency culture has a positive but significant effect on performance of KCB ($R^2 = 0.293$, $P < 0.05$). This indicated that reinforcement in consistency culture led to a rise in performance of KCB hence the null hypothesis that there is no significant effect of consistency culture on the relationship between corporate culture and the performance of Kenya Commercial Bank was rejected.

5.2.3 Adaptability culture and performance of KCB

The third variable examined the effect of adaptability culture on performance of KCB. Most of the participants strongly agreed that adaptability culture affected performance. Simple linear regression showed a significant effect of adaptability culture on performance of KCB ($R^2 = 0.321$, $P < 0.05$). This indicated that an additional unit in adaptability culture leads to an additional unit increase in performance of KCB hence the null hypothesis that there is no significant effect of adaptability culture on performance of Kenya Commercial Bank was rejected.

5.2.4 Mission culture and performance of Kenya Commercial Bank

The variable ascertained the effect of mission culture on the performance of Kenya Commercial Bank. Most participants strongly agreed that mission guides objectivity. Simple linear regression indicated that mission culture had a positive though significant effect on performance of KCB ($R^2 = 0.322$, $P < 0.05$). This indicated that effective and efficient mission culture would result to additional performance of KCB hence the null

hypothesis that there is no significant effect of mission culture on the performance of Kenya Commercial Bank was rejected.

5.2.5 Moderating Effect of Organizational Factors on the Relationship between Corporate Culture and Performance

The moderating effect of organizational factors on the relationship between corporate culture and performance was ascertained. Simple linear regression revealed that organizational factors had no moderating effect on both performance of KCB and corporate culture as $R^2 = 0.387$ remained unchanged before and after moderation. Furthermore during multiple regression the significance value for organization factors was 0.090 which was greater than 0.05 baseline significance value hence insignificant.

5.3 Conclusion

The conclusion of this chapter is based on the observations of the researcher based on the data that was analyzed in the previous chapter. The researcher will then link these conclusions to the three objectives of the study as outlined in chapter one of this dissertation.

5.3.1 Corporate culture on the performance of Kenya Commercial Bank

Here the study sought to establish or determine whether the different corporate culture types namely, mission culture, involvement culture, consistency, and adaptability culture influences organizational performance. The responses gathered by the researcher regarding how different mission culture components influences organizational performance revealed that; the computed mean score values about whether mission culture, involvement culture, consistency culture and adaptability culture were all

skewed to the right of a normal curve; implying that corporate culture influences the performance of the organization. The findings gave strong indicator that all corporate culture variables had a significant effect on performance of KCB.

5.3.2 Organizational Factors on the Relationship between Corporate Culture and the Performance of Kenya Commercial Bank

Under this section of the research project, the researcher wanted to determine whether organizational factors that is, leadership style, organizational politics and organizational structure influences the relationship between the performance of KCB and its corporate culture. They had no significant effect on KCB performance and corporate culture.

5.4 Recommendations

This section provides recommendations based on the findings of the study. The recommendations represent the strategies that organizations such as Kenya Commercial Bank should introduce to their corporate culture to enhance their performance. Some of the most ideal recommendations that should be adopted include:

- i) Involving employees in the decision-making process in the organization entails ensuring that a good relationship exists between management and the employees. Management should ensure that teamwork is encouraged in the workplace, while strong emphasis on cooperation and consensus is encouraged. The recommendation is appropriate because from the findings of the study, the researcher established that involving employees in decision making and other management processes leads to easier implementation of

various strategies, motivated employees, effective management of the change process and therefore significantly improves employee performance and by extension the organization's performance. For instance, the ANOVA table reveals that, involving employees in organizational processes is directly related to their performance. This affirms to the findings of Lawler (1996) who studied the importance of organizational culture on employee performance. Lawler (1996) found out that organizations that use the collective abilities of its workforce in a competitive manner achieve higher superior performance.

- ii) The study findings indicate that adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change. They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers. Companies with strong adaptive cultures based on shared values outperformed other companies by a significant margin Kotter and Heskett (1998). Corporate cultures which help organizations anticipate and adapt to change will be successful over the long term. Appropriate corporate culture should have the ability to fit into the prevailing organizational climate or to adjust to the changes in the internal and external environment of an organization for high performance to be achieved and sustained. Kenya Commercial Bank should have the adaptable culture with ability to adjust to the dynamics of the business environment.
- iii) Organizations such as Kenya Commercial Bank should take deliberate measures/initiatives to ensure employees understand the strategic

objective(s), mission and vision of the organization and ensuring that the organization adopts a customer-oriented culture, translating to improved customer retention and loyalty. From the study findings, it is apparent that employees who understand the strategic objectives of the organization, the mission and vision and those who adopt a customer-oriented culture will have a improved performance leading better performance of the organization.

- iv) From the study findings, organizations that consistently apply the various aspects of their corporate culture will have superior performance. What really matters, then, isn't what cultural standards you set but rather the fact that you set them and stick with them over a long period of time. Consistency helps organizations to reap the benefits of company culture.
- v) The study affirmed the fact that the leadership style of an organization plays a crucial role in developing, influencing or shaping, sustaining and changing the corporate culture of an organization. The findings are aligned with Pankaj (2013) who explains that Leaders must live by the culture, set the tone and be the role models. Leaders need to view culture as a distinctive value proposition that fulfills the demands of the market.

5.5 Areas for Further Research

This research was conducted based on several assumptions, and limitations that exist in the environment as well as the individual characteristics that are inherent in the mind of the researcher. Based on this, it is important for the researcher to make suggestions for future research to provide a framework for other researcher that could consider

conducting similar studies in the future. Some of the suggestions for future research include:

- i) Conducting similar studies in other geographical regions and organizations to test the variability and reliability of the findings of this research dissertation about whether corporate culture affects organizational performance.
- ii) There is a need for future studies to be conducted to determine whether corporate culture influenced employee turnover
- iii) The need for future studies to determine the extent to which organizational politics as an aspect of corporate culture affects organizational performance.

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APPENDICES

Appendix 1: Data collection introductory letter

Introductory letter

I am a Master of Business Administration (MBA) student of Masinde Muliro University of science and technology. As a partial requirement of the coursework assessment, I am required to submit a research report on “*Corporate Culture and the Performance of the Kenya Commercial Bank*”I would highly appreciate if you could kindly complete the Questionnaire to assist me collect data. Your information alongside others will help me in my research and will be used strictly for academic purposes and will be treated as confidential, therefore, do not write your name on the questionnaire.

Thank you in advance,

Yours faithfully,

Bramwel S. Mbirira

S/NO	In this organization...	1	2	3	4	5
	Involvement Culture					
1	Input is solicited from all who might be affected by a decision.					
2	Information is shared freely and openly.					
3	There is trust between management and workers representatives.					
4	High performance is valued, recognized and rewarded.					
5	Teamwork is always promoted and encouraged.					
6	There is a strong emphasis on cooperation and consensus.					
7	KCB has an engaged workforce					
	Consistency Culture					
1	Close compliance with rules and procedures is expected and enforced.					
2	Rules get broken when they get in the way					
3	We have many exemplary performers in our organization.					
4	Our approach to business is consistent and predictable.					
5	We take time to do things right.					
6	Employees in the KCB are motivated and loyal to the organization					
7	The authority of leaders is respected.					
	Adaptability Culture					
1	We respond quickly to changes in the business environment					
2	People are committed to developing themselves professionally.					
3	People are friendly and enthusiastic					
4	There is a strong emphasis on innovation and creativity.					
5	Calculated risk-taking is accepted and encouraged.					

6	Most employees have a positive attitude towards work.					
7	Attempts to initiate change are usually met with resistance					
8	We have an optimistic and positive outlook.					
	Mission Culture					
1	All employees know the company values.					
2	There is a strong emphasis on values and ethics.					
3	Our goals are clear and we work toward them with determination.					
4	My superior is a good role model.					
5	I require minimum supervision in my work					
6	Great effort is made to produce products and Services of the highest quality.					
7	We value our customers					
8	We strive to achieve dominance in the banking industry.					

Appendix 3: Interview Guide

Interview guide

This interview guide was used during interviews with respondents. It was mainly administered to senior management, and workers representatives.

1.
 - a) What are the company values?
 - b) How important are the values to the KCB?
 - c) What has management done to reinforce them?
2.
 - a) In your opinion, do you think most employees in the company know the company goals, objectives, mission, and vision?
 - b) How do you rate the level of staff commitment towards achievement of the goals, objectives, mission, and vision of the company?
3.
 - a) Does the company management face any problems in implementing its corporate strategy?
 - b) Highlight some of the problems or hindrances?
4. To what extent can the company tolerate deviations from the laid down rules and procedures?
5. Does the company recognize and reward high performance?
6. Do you have any role models in the company?
7. How can you describe the management style in the company?
8. What role has the current management style of KCB played towards maintenance/reinforcing/ sustaining the prevailing corporate culture

9. How can you describe the prevailing corporate culture in the company? (Strong or Weak) explain

Part B

10. How can you describe the relationship between Management and the workers representatives?
11. How do you rate the past performance of the company?
12. What are some of the factors contributing to the past performance?
13. Which role did the past and current leadership play in the past performance?
14. a) In your opinion, is the current corporate culture appropriate for high and quality performance? YES () NO ()
- b) If yes, what can be done to maintain/sustain the appropriate corporate culture?
- c) If no, what appropriate measures should be put in place to change the culture into an appropriate one?
15. a) What is the main challenge facing KCB currently or in the near future?
- b) In your opinion, is the prevailing corporate culture appropriate to effectively face the challenge(s)?

Thank you for your co-operation.

Appendix 4: Research Authorization Letter



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349,3310571,2219420
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/18/18992/17811**

Date: **12th March, 2018**

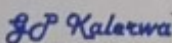
Bramwel Simiyu Mbirira
Masinde Muliro University of Science
And Technology
P.O. Box 190-50100
KAKAMEGA.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Corporate culture and performance of KCB Bank Ltd,*" I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **12th March, 2019.**

You are advised to report to the **Chief Executive Officer, Kenya Commercial Bank Limited, the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Chief Executive Officer
Kenya Commercial Bank Limited.

The County Commissioner
Nairobi County.

Appendix 5: Research Permit NACOSTI

THIS IS TO CERTIFY THAT:
MR. BRAMWEL SIMIYU MBIRIRA
of **MASINDE MULIRO UNIVERSITY, 0-100**
NAIROBI, has been permitted to conduct
research in **Nairobi County**

Permit No : **NACOSTI/P/18/18992/17811**
Date Of Issue : **12th March, 2018**
Fee Received : **Ksh 1000**

on the topic: **CORPORATE CULTURE AND**
PERFORMANCE OF KCB BANK LTD

for the period ending:
12th March, 2019




Applicant's
Signature


Director General
National Commission for Science,
Technology & Innovation

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the Licence and any rights thereunder are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
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