RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND PERFORMANCE IN SELECTED KENYAN STATE CORPORATIONS

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DECLARATION

This Project is my own original work and has never been submitted for a degree in any other university.

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This project has been submitted for examination with my approval as a University Supervisor.

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DEDICATION

To God be the Glory
To my father for the inspiration
To my Mother for shaping my life
To my husband for the unwavering support
To my daughter 'you've truly brought sunshine to my life'.

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My sincere appreciation to my loving mother Florence Yagan. I will always be grateful for your noble support in bringing me up over the years to be the person I am today – May God bless you abundantly.

ABSTRACT

The study sought to determine whether there was a relationship between organizational culture and performance in the State Corporations. 35 organizations in the Financial and Commercial/Manufacturing sectors were used for the study. These sectors were chosen because they used similar performance indicators. The survey method was used because the research problem required comparative data from a cross section of organizations.

Both primary and secondary data was used in this study. The primary data which was on culture was collected through structured questionnaires. The questionnaire was adopted from Roger Harrison (1972). It is concerned with the identification of the existing culture in the organizations. Performance was measured using secondary data on Corporations Performance Results for the financial year 2005/2006. This period covers 1st July 2005 – 30th June 2006.

The results of this study revealed there is a relationship between culture and performance. It further indicated that the dominant culture in the State Corporations is task culture. From the study, it was observed that the different cultures have varied effects on the performance. Some cultures were associated with very good performance, others with good yet others poor performance.

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INTRODUCTION

1.1 BACKGROUND

1.1.1 Increased Competition

Market changes often require altering business and marketing strategies. Companies that do not understand their markets and how they will change in the future may find their strategies for competition inadequate as buyer needs and wants change and alternative avenues become available to meet buyer requirements. Many forces are causing the transformation of industries and are changing the nature of competition. The drivers of change include deregulation, global excess capacity, global competition, mergers and acquisitions, changing customer expectations, technological discontinuities, disintermediation, demographic shifts and changing life and work styles. These forces may create market opportunities or threats by changing the nature and scope of markets and competitive space (Cravens, 2000).

Cartwright (2002) argued that competition is the main driving force leading marketers to search for areas of competitive advantage that will lead to greater financial success. He asserts that, new competitors are attracted to areas of opportunity. Over time, prices can be adjusted down-ward through competition and/or production efficiencies. New buyers join in buying the favored offerings. He further explains that, with every few exceptions, all organizations face a degree of competition. There are still a number of monopolies i.e. organizations that have no competitors within their chosen market place.

It used to be thought that, any consideration of competition only applied to the private/commercial sector. Today all organizations need to consider their competitors when looking at the market. As soon as there is competition, there is need for knowledge of the markets. As Cartwright and Green (1997) put it in one of their "Golden Rules for Customer Satisfaction" in a free market economy, the customer always has a choice.

Even in a monopoly, there is possibly the choice to use the product or service or not use it i.e. in any commercial situation; there is always a modicum of choice.

1.1.2 Increased Changes in the Organizational Structure

Organizations have a structure, which is an established set of relationships with ordered and regularly occurring activities (Womack J. *et al* 1990). Because tasks in organizations are almost always interdependent, it is essential that personnel act in a calculable and predictable manner hence; performance and structure are inextricably linked. Greenberg (2003) defines organization structure as a formal configuration between individual and groups with respect to the allocation of tasks, responsibilities and authorities within organizations. One cannot see the structure of an organization; it is an abstract concept. However, the connections between various clusters of functions of which an organization is composed can be represented in the form of an organizational charts.

According to Finchman and Rhodes (1999) the structural types represent basic design choices and principals. However, in recent times the search for better and more effective structures has not slackened. As ever, bureaucracy is both the target of attack and bench-mark. The Holy Grail that all are trying to achieve is structures that combine the efficiency, control and occupations stability of the normal hierarchy with an innovative capacity. The emphasis in modern structures is on identifying key business and production process around which to build new networks and multifunctional teams. Among recent ideas for designing such structures are the following:

Lean Structures. These structures were closely linked with the pre-occupation of 'downsizing' which drastically cut back white-collar functions and reduced overhead in many organizations, whilst retaining or even increasing capacity. Lean structures in management were also inspired by the lean production model. Essentially, a modified version of the line assembly was built around semi-autonomous teams and designed to meet the Japanese challenge in industries like auto assembly (Womack *et al* 1993).

Business Process Re-engineering. The brain child of 1990s, business guru Michael Hammer re-engineering advocated radical change and major improvements across a range of production criteria (Hammer, 1990). Once again, the normal bureaucratic methods and scientific management were the starting points. Under the re-engineering philosophy, these are seen as breaking down the natural flow of work through an organization and imposing artificial structures or departments and divisions. The answer is to're-engineer' the business process. This means starting from basics and showing a willingness to 'obliterate' the old structures and ways.

The Virtual Organization. These are 'structures' that can be called into existence even though the members of the organizational network are physically dispersed. The professions for example are rather like virtual organizations in that they exist as occupational networks giving members a sense of identity via professional associations, conferences, professional publications etc while individuals work in their separate employing organizations.

1.1.3 The Changing Role of Government

There are fewer and fewer monopolies in the 21st Century world. A monopoly can be defined as an organization that has no competitors yet, as markets become more global, it is increasingly difficult for governments to force consumers to use a monopoly.

Cartwright (2002) asserts that one of the legacies of the long period of conservative government in the United Kingdom (1979 – 1997) was the breaking up of a number of public monopolies through a programme of privatization. Many of these monopolies had been private sector organizations operating within competitive environment before they were nationalized. The reason for nationalization of the railways, the national air carrier, steel making, coal mining, energy production and ship building, the majority of which were nationalized by labour administration was quoted as the national economic interest. Certain other sectors most notably the post office had always been in the public sector whilst the concept of private utilities providing gas and electricity etc might have seemed revolutionary in the 1980s when the majority of privatizations were implemented. It was more than a return to the early years of these industries when they had been very much in the private sector.

In the recent past, the Kenyan Government has embarked on privatization programme for some of the state corporations. This has been done through the Initial Public Offers of the shares owned by the government at the Nairobi Stock Exchange (NSE) thus opening doors to the public to be shareholders of these companies. From the foregoing it is clear that the government has changed its role from total ownership of these corporations to that of partial ownership. Governments have realized that a lack of choice leads to dissatisfied consumers and dissatisfied consumers can display their frustration through the ballot box. In some cases, they can resort to industrial unrest through unions or public riots.

1.1.4 Organizational Culture

An organization can be defined as a group that has stated and formal goals. It exists for various reasons and has different organizational goals. William *et al* (1993) argues that every employer is unique and similarities between organizations can be found among the parts, but each whole organization has a unique culture. On joining an organization, individuals bring with them the various values and beliefs which they have been taught or have acquired over time. These may be insufficient and more often than not, they will need to learn the new organization's way of doing things in order to succeed.

The term "culture" refers broadly to a relatively stable set of beliefs, values and behaviors commonly held by a society. Although it is derived from social anthropology as a framework for understanding "primitive" societies (Kotter and Heskett, 1992) the concept of culture has recently been widely used in the context of organizations. In particular, "corporate" or "organizational culture" was used to explain the economic successes of Japanese over American firms, through the development of a highly motivated workforce committed to a common set of core values, beliefs and assumptions. (Furnham and Guntern, 1993).

Hall *et al* (1986) defined organizational culture as shared values and beliefs that form informal ground rules about how employees are expected to behave. He argues that, a mismatch between personality of an employee and the culture of an organization can frustrate both personal and organizational goals. Hersey, Blanch and Johnson (1996) explain that, culture is the set of important understandings (often unstated) that members in a society or organization have in common. According to them, it guides individual and collective behavior and it consists of basic beliefs, values and norms. In this case, the basic beliefs and values define what is right and what is wrong, what is important and what is unimportant; what is beautiful and what is not, whereas on the other hand, norms prescribe how to behave under different circumstances and to treat different questions. From the foregoing, it is therefore apparent that culture influences how decisions are made, the style of management and relations and behavior patterns in the organizations.

Many scholars have defined organizational culture differently and a recent review of organization culture notes the differing perspectives and the problems associated with the conceptualization of organizational culture in the literature. Most definitions however, stress the importance of shared norms and dominant values and readily agree upon its other characteristics such as observed behavioral regularities, philosophy, rules and organizational climate none of which can represent the organizational culture by themselves but collectively.

Operationalization of Culture

Organizations have patterns of behavior that operationalize an ideology – a commonly held set of doctrines, myths and symbols. An organization's ideology has a profound impact on the effectiveness of the organization. It influences most important issues in organization life: how decisions are made, how human resources are used, and how people respond to the environment.

1.1.5 Management and Culture

Managers are the major decision – makers in any organization and their generalized purpose can be described as one of increasing the organization's present and future capability in attaining its goals. (Harisson, 2000). The simplest definition of management is that it is the art of getting things done through people with the aim of goal attainment. It has also been defined as the process of planning, organizing, leading and controlling the efforts of organizational members and using resources to achieve organizational goals effectively and efficiently. Leadership is a very important aspect of organizational culture. Davis (1984) asserted that:

> If the leader is a great person, then inspiring ideas will permeate the corporation's culture. If the leader is mundane, then the guiding beliefs may well be uninspired. Strong beliefs make for strong cultures. The clearer the leader is about what he stands for, the more apparent will be the culture of the company. (Pg. 8)

Hersey, Blanch and Johnson (1996) observed that operating by the basic organizational values clearly communicates the importance of what the organization stands for. They bring out the difficult aspect of managerial excellence as living the values of the organization especially when these values are challenged during trying times. They do believe that if an organization has a clearly defined and communicated set of basic beliefs, it is the manager's responsibility to function in a manner consistent with those fundamental beliefs. Managers therefore are the clearest models of what the organization stands for and an excellent manager lives up to this challenge and this commitment.

It is worth to note that, organization culture is the product of all the organization's features; its people, its successes and its characteristics. Organization culture therefore reflects the past and shapes the future of an organization. It implies values such as aggressiveness, defensiveness or nimbleness that set a pattern for a company's opinions, activities and actions. The pattern is instilled in employees by manager's example and passed down to succeeding generations of workers. The CEO's words alone do not produce culture; rather, his actions and those of managers do (Ritchie 1976). In a nutshell, the management needs to lead by example in order to instill the culture in the organization.

From the foregoing, the management especially the human resources specialist is faced with a challenge to adjust proactively to the culture of the organization. For instance, objectives can be achieved in several acceptable ways. This idea called *equifinality*, means there are usually multiple paths to objectives. The key success is picking the path that best fits the organization culture. (William, Werther and Davis 1993).

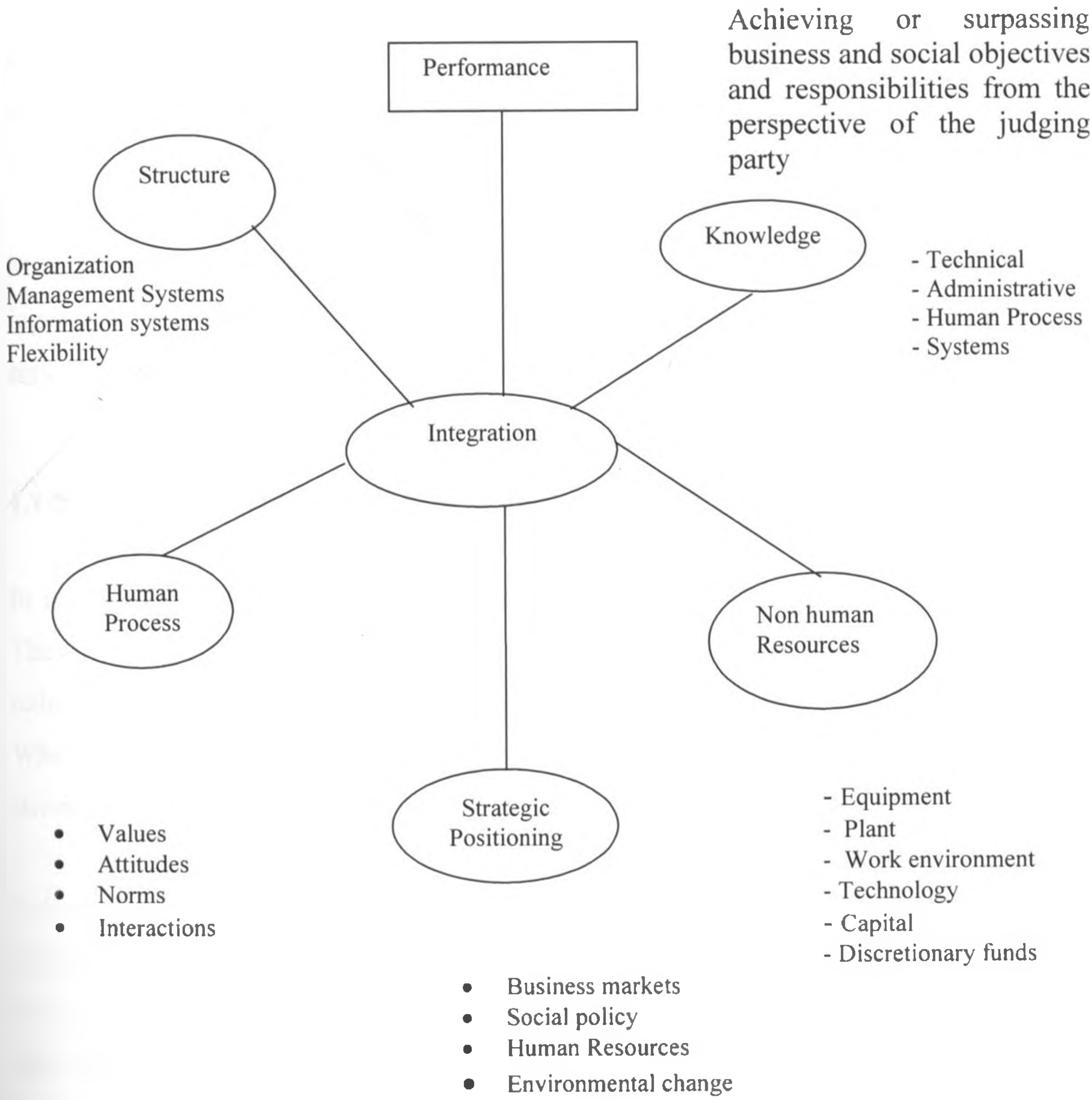
Another challenge which faces management in the management of the organization's culture is the challenges that may arise from conflict among groups depending on the culture of the organization and the attitudes of its people. For instance how would the management treat an addicted smoker in a work environment which dictates it as a non smoking zone? Brown (1998) argues that, the vast literature on organizational culture has evolved hand in hand with the equally large and still burgeoning literature on human resource management (HRM). Together the development of the culture and HRM literatures are evidence on an intellectual refocusing on people in organizations as the means by which sustainable competitive advantage can be achieved – rather than information technology, products, or other intrinsic elements of an organization such as its structures. He explains that, the relationship between the culture and HRM literatures is, however, even closer than this may suggest, with many human resource specialists claiming that organizational culture is the territory of human resource manager.

Textbooks and other popular journal articles now commonly exhort those working in the field of human resource management to be sensitive to the values and beliefs of their organization's culture and recommend that is should be managed through human resource policies, programmes and systems.

1.1.6 Performance

Performance is a product of many inter-related factors. Yesley (1984) in his book 'Strategies and Actions for Improvising Organizational Performance" explained this by use of a Strategic model as shown in figure1.

Fig 1: Satellite Model of Organizational Performance



(Source: Allan A Yesley "Strategies and Actions for Improving Organizational Performance" Academy of Management Review, June1984 © American Management Association, New York)

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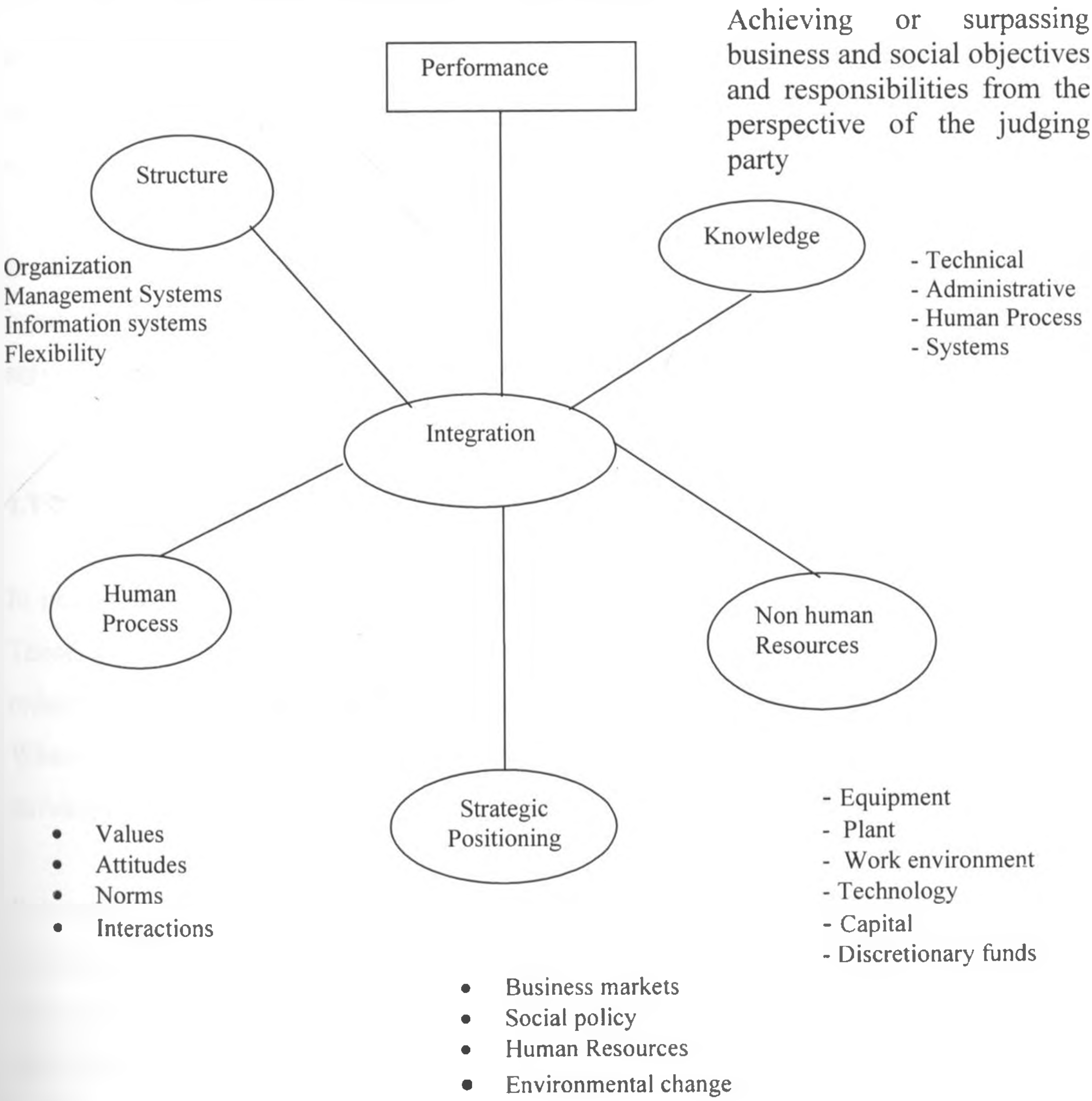


(Source: Allan A Yesley "Strategies and Actions for Improving Organizational Performance" Academy of Management Review, June1984 © American Management Association, New York)

This model identifies several of the most important factors including organization structure, knowledge, non human resources, strategic positioning and human process.

All these factors are inter-related and they all contribute to performance. Integration is not only essential to meeting current business and social needs but it is essential to the change process necessary to meet future business and social needs of the organization.

The ability to assess and demonstrate organizational performance is a key issue in most organizations. Organizational performance may be defined as the ability of an organization to use its resources efficiently and to produce outputs that are consistent with its objectives and relevant for its users.

Most systems and processes within an organization are aligned so as to optimize the input, intellect and experience of its employees. This is done to ensure that the product or service provided will create a profit for the organization.

1.1.7 Organizational Culture and Performance

In nearly all organizations, a few core values or beliefs shape the organization culture. These will differ in organizations ranging from service, product innovations, cost reduction strategies etc depending on what is seen as the organizations key to its success. Whatever the organization, it can only succeed by identifying the values or beliefs and striving to further them.

It is worth noting that, different aspects of organizational culture are related to firm performance. Hall and Goodal (1986) observed and noted past studies as having shown that some of the most successful international companies such as Hewlett – Packard, IBM,Tektronix, Coca-Cola just to mention a few have used Employee Involvement (EI) as the most common method to create Quality Work Life (QWL) in the work place.

They argue that this consists of a variety of systematic methods that empower employees to participate in the decisions that affect them and their relationship with the organization. They observed from research carried out on some of these companies on this that, through EI employees feel a sense of responsibility, even 'ownership' of the decisions in which they participate.

According to Werther *et al* (1993) for an organization to be successful, EI must be more than just a systematic approach; it must become part of the organization's culture by being part of the management's philosophy. They cite some companies to have had this philosophy inbuilt in their corporate structure for decades.

1.1.8 Kenyan State Corporations

In the early 1960's and 1970's, governments created state corporations to ensure their involvement in the productive economic activities within their countries with a key objective to achieve economic development, regional balances, local participation and control of the economy. The Kenyan government pursued a policy of mixed economy by allowing the existence of both the private and public sectors from 1963 to the late 1970's.

In his research Ng'ang'a (2003) noted that, by early 1980's some of the state corporations had accumulated huge losses and debts and depended on Treasury for their financial survival. This means that the State Corporations were not achieving their primary objectives thus defeating their reasons for its creations. The poor performance of these corporations can be seen in the continued privatization of some of these bodies for it is believed that it could be handled more efficiently by the private sector. Ogeto (1994) observed that the private sector perform to the extent of 100 % and over better than the public enterprises.

The problems that have inhibited the performance of government agencies are largely common and include excessive controls, multiplicity of principals, frequent political interference, poor management and outright mismanagement.

One major source of poor performance in the State Corporations is in the culture of senior management appointments. The board of directors and senior management especially the chief executive officers/managing directors of these enterprises are usually appointed to suit political interests and they end up defending such interests rather than promoting the profitability of their firms. According to Ogeto (1994), the corporations were meant to promote employment of the increasing number of the unemployed youths and as such, the objective has led to redundant workers and rigidity in the size of the labour force and strong upward pressure on wages at lower levels.

By comparing the financial performance of some private companies and those of some state corporations in the finance and investment sector over a period of time, it is clear that most of the state corporations' results are wanting. This is shown in table 1.

Table 1 – Financial Results Comparison – Kshs '000

	Year	**2001**	**2000**	**1999**	**1998**	**1997**	**1996**
Barclays Bank	Profit before tax	4,235,000	3,035,000	3,361,000	4,242,000	3,974,000	
	Profit after tax	**2,955,000**	**2,068,000**	**2,254,000**	**3,000,000**	**2,687,000**	
Kenya Commercial Bank	Profit before tax	369,244	(765,631)	(2,244,854)	1,410,598	4,155,696	4,045,5
	Profit after tax	**381,980**	**(464,469)**	**(1,554,665)**	**1,126,215**	**2,559,450**	**2,500,9**
Standard Chartered Bank	Profit before tax	3,223,840	3,174,004	2,556,268	2,290,588	1,759,043	1,762,8
	Profit after tax	**2,235,228**	**2,149,745**	**1,743,636**	**1,592,711**	**1,064,790**	**1,149,2**
National Bank of Kenya	Profit before tax	(322,580)	(1,619,719)	(3,470,826)	(3,058,307)	650,059	
	Profit after tax	**(298,868)**	**(2,206,258)**	**(2,428,762)**	**(2,192,668)**	**137,692**	

Source: NSE Handbook, 2002

Kenya Airways is one example of an organization which has had a turn around from making huge loses to profits. This has greatly been attributed to its privatization.

Performance Contracting in the State Corporations

In 2004, the Government of Kenya (GOK) introduced Performance Contracting for State Corporations. The process commenced with the establishment of a Performance Contracts Steering Committee in August 2003 and the issue of Legal Notice No. 93, The State Corporations (Performance Contracting) Regulations, 2004 in August 2004. (Performance Contracts Steering Committee Manual 2005). The Manual defines Performance Contract as an agreement between two parties that clearly specifies their mutual performance obligations, intentions and responsibilities. The contract is intended to address economic, social or other tasks that an agency has to discharge for economic performance or other desired results. It organizes and defines tasks so that management can perform them systematically, purposefully, and with reasonable probability of accomplishment. It also assists in developing points of view, concepts and approaches for determining what should be done and how to go about it.

A performance contract comprises of two major components namely; determination of mutually agreed performance targets and review and evaluation of periodic and terminal performance. Prior to the signing of the Contracts, training and sensitization is done for the board members and senior management who then cascade the concept down to lower staff level. The Government committed itself to freely negotiating with the state agencies (through the board of directors and the chief executive officers). Signing of the PCs was preceded by pre-negotiations and negotiations. These negotiations centered on the agreed commitments of both the state corporations and the Government; frequency of monitoring reporting and information flow as well as the agreed targets.

The targets were weighted on a scale totaling 100. Appendix 4 (KCAA Performance Targets 2005/2006) is an example of a summary of the performance targets for Kenya Civil Aviation Authority (KCAA), a state corporation under the Ministry of Transport (MOT). The organization is charged with the responsibility of regulating air transport as well as providing air navigational services.

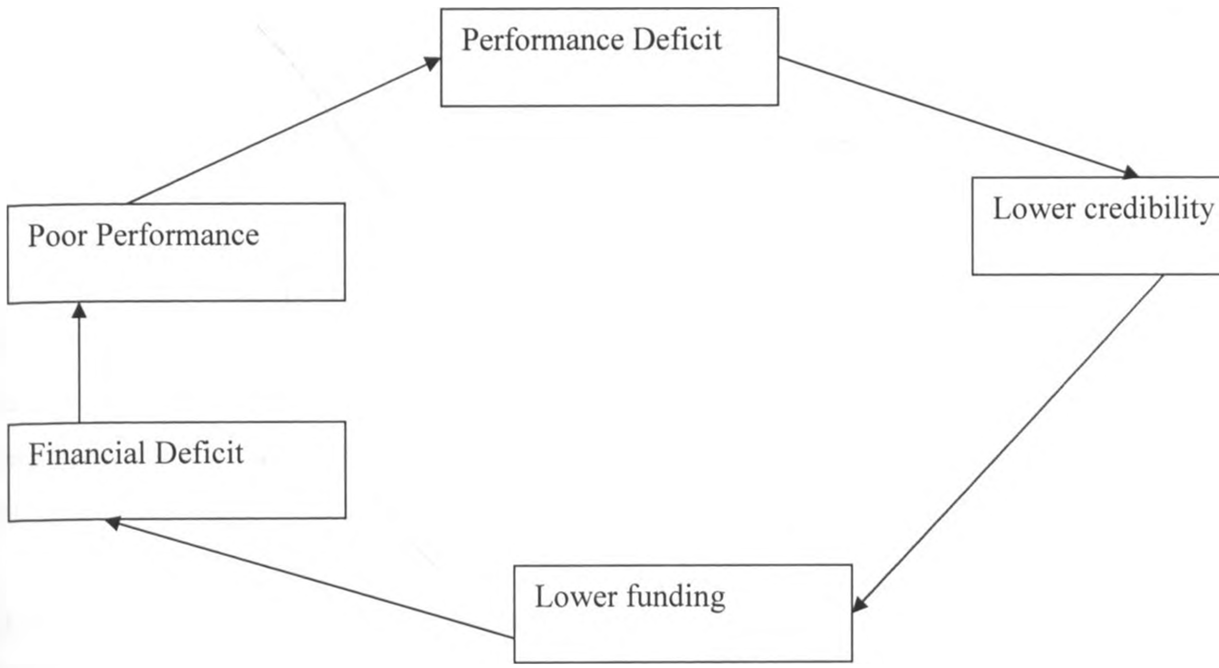
Four main criteria (indicators) were used to arrive at the targets. These were financial, non-financial, operations and dynamic indicators, which were intended to ensure that the set targets were as realistic as possible. The Government adopted performance contracting for the public service in order to ensure that there is a reduction or altogether elimination of reliance on exchequer funding for government agencies which are expected to generate revenue or make profit; an objective basis for divesting loss making government agencies. It will also compel the agencies to give a return to the shareholders by paying dividends or surpluses and that the process will ensure that Government Ministries/Departments improve service delivery to the public.

According to the Performance Contract Steering Committee (2005), the performance is linked to a system of incentives for performance and sanctions for poor performance.

Rationale for Performance Contracting

The Performance Contracts Steering Committee Manual (2005) depicts improvement in the wealth of nations as premised on the realization that: Comparative advantage depends on resource efficiency/endowment; Competitive advantage of nations depends on public sector performance; Public sector performance acts as a ceiling on private sector performance (market failure vs. government failure) and Financial deficit is a symptom of performance deficit, as depicted in figure 2.

Figure 2 – Effect of Performance Deficit to Performance



Source: Performance Contracts Steering Committee Manual, 2005

The above diagram illustrates the effect of performance deficit to the overall performance of the organization. Where there are weaknesses in the performance of a government agency, it erodes confidence of development partners and agencies in providing funds for development which in turn leads to further deterioration in performance.

According to the manual, the widely accepted rationale for performance contracting is that public agencies have multiple objectives and multiple principals. These fuzzy objectives lead to poor financial performance in most cases. One view is that because public agencies are required to carry several functions they are unable to do any one of them very well. The other is that, while a government agency may have done very well in achieving many of its objectives, its performance may be judged with reference to one objective to which it has not done well.

A performance contract is a tool of remedying the situation of multiple objectives by agreeing on the preferred objectives, which the owner would like achieved. It addresses the multiplicity of principals by requiring one agency to sign on behalf of all of them.

1.2 STATEMENT OF THE PROBLEM

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

Many authors have addressed the topic but little rigorous research has actually been undertaken. Peters and Waterman (1982) attempted to identify the factors that made firms successful but within a very short span of time it became apparent that there are many firms which posses these characteristics but which do not perform well.

Kotter and Heskett (1992) presented the results of four studies on the relationship between culture and long term economic performance. Their findings led them to suggest that there was a positive correlation between corporate culture and long term economic performance, but it was extremely weak. Moreover they found a number of organizations with strong cultures yet which performed poorly, and organizations with weak cultures which nevertheless performed extremely well. There is a very strong influence of political systems on performance of the State Corporations. Even though the State Corporations might have distinct cultures, they may be subjected to interference from the political environment. This may therefore make their situation different from their counterparts in the other parts of the world, particularly the developed countries.

In Kenya, studies have not been done on relationship between organizational culture and performance. Wamuyu (2002) carried out a study on the relationship between organizational culture and human resource practice in the Kenyan manufacturing industry. She did not touch on the issue of performance and although there is a close link, it is imperative to note that Wamuyu's study was in the private manufacturing industry whose culture is different from that of the public sector and the results may not be applicable.

Thus, the key question for investigation is: what is the relationship between organizational culture and performance among the Kenyan State Corporations?

1.3 OBJECTIVE OF THE STUDY

To determine the relationship between organizational culture and performance in the State Owned Corporations.

1.4 IMPORTANCE OF THE STUDY

The findings and recommendations will be important to the heads of state corporations in terms of development and maintenance of strong positive organizational cultures which could in turn bring about better performance.

It is also expected to add knowledge and stimulate further research in other aspects of culture and performance.

Beneficiaries of the research include the Government, Managers, Researchers and the HR Practitioners.

CHAPTER TWO

LITERATURE REVIEW

2.1. ORGANIZATIONAL CULTURE

Organizational culture is defined as a cognitive framework consisting of attitudes, values, behavioral norms, and expectations shared by organization members. At the root of any organization's culture is a set of core characteristics that is valued collectively by members of an organization. (Greenberg J *et al* 1995). These basic values are the ones which distinguish one organization from another with fundamentals such as, sensitivity to the needs of customers and employees, interest in having employees generate new ideas, willingness to take risks, the value placed on people, openness of available communication options, friendliness and congeniality of the employees towards one another etc. Armstrong (2006) defined it as the pattern of values (what is believed to be important about how people and the organizations behave), norms (unwritten rules of behavior), beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and things get done.

There seems to be a wide agreement that organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is, on closer examination, a set of key characteristics that the organization values. According to Robins (1993) research on Nokia employees suggests that there are seven primary characteristics that, in aggregate, capture the essence of an organizational culture. These are: innovation and risk taking which is the degree to which employees are encouraged to be innovative and take risks; attention to detail which measures the degree to which the employees are expected to exhibit precision, analysis, and attention to detail; outcome orientation being the degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve those outcomes; people orientation involving the degree to which management decisions take into consideration the effect of outcomes on people within the organization; team orientation which means the degree to which work activities are organized around teams rather than individuals; aggressiveness to mean the degree to which people are aggressive and competitive rather than easygoing and stability which is the degree to which organization activities emphasize maintaining the status quo in contrast to growth.

Each of these characteristics exists on a continuum from low to high. Appraising the organization on these characteristics, then, gives a composite picture of the organization's culture. This picture becomes the basis for feelings of shared understanding that members have about the organization, how things are done in it, and the way members are supposed to behave (Robbins 1993). According to Eldridge and Combie (1974) the culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done whereas Deal and Kennedy (1982) portrayed culture as a system of informal rules that spells out how people are to behave most of the time. Furnham and Gunter (1993) on the other hand defined it as the commonly held beliefs, attitudes and values that exist in an organization. Put more simply, culture is 'the way we do things around here'.

Schein (1990) has comprehensively defined organizational culture as:

> A pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable, and therefore, to be taught to new members as the correct way to perceive, think and feel in elation to those problems (pg. 111).

Armstrong (2006) by summing up the various definitions on culture came up with some areas of agreement on the concept which are: It is difficult to define; It is multi-dimensional, with many different components at different levels; It is not particularly dynamic, and ever changing (being relatively stable over short periods of time) and that it takes time to establish and therefore time to change corporate culture.

From the definitions Armstrong concludes that culture comprises of components. These components are: values, norms and artifact.

Values are beliefs in what is best or good for organization and what should or ought to happen. On the other hand, norms are unwritten rules of behavior that provide informal guidelines on how to behave whereas artifacts are visible and tangible aspects of an organization that people hear, see or feel.

He argues that, the stronger the values, the more they will influence behavior and the implicit values that are deeply embedded in the culture of an organization and are reinforced by the behavior of the management can be highly influential, while espoused values that are idealistic and are not reflected in managerial behavior may have little or no effect.

2.1.1 Classifications of organizational culture

Alvesson (1989) suggests that conceptualizations of organization culture exist along a continuum extending from the instrumental to the academic. The process – oriented and classification approaches are the two extremes of this conceptual continuum.

Process approach to organizational culture

Schein's definition is typically a process – oriented approach which views organizational culture as a continuous recreation of shared meaning (Roskin, 1986). Schein conceptualizes culture as a 'layered' phenomenon which has three interrelated levels of meanings: basic assumptions; values and beliefs; artifacts and creations.

Artifacts and creations – the most manifest level consisting of the constructed physical and social environment of an organization, e.g norms, rites and ceremonies, symbols, taboos, myths and stories, language.

Values and beliefs – less visible than artifacts and creations and provides the underlying meanings and interrelations by which the patterns of artifacts and creations may be deciphered e.g. honesty, trust, effort, basis of reward etc.

Basic Assumptions – these represent an unconscious level of culture, at which the underlying values have, over a period of time, been transformed and are taken for granted as an organizationally acceptable way of perceiving the world. They are the most difficult to relearn and change. Example of the basic assumptions are; the basis on which individuals are respected; the basis of the firm's ability to compete; whether competition or collaboration with individuals is the most desirable mode of behavior; how and by whom decisions should be made.

Similar conceptions of culture are offered by Dandridge *et al* (1980), Pettigrew (1979) as well as Trice and Beyer (1984). Schein (1990) suggests that cultures are created through the way organizations have reacted to important incidents in the past and have thus evolved certain norms, as well as through the identification of organizational members with their leaders. As such, organizational cultures are perpetuated through the process of socialization of new members into the organization.

Schein (1990) proposed seven dimensions that may be used to enquire into organizational culture. Based on an interview procedure, this model employs a qualitative method such as interviewing and observations to study organizational culture, where meaning rather than frequency of occurrence is of relevance. Such an approach usually provides much in-depth information about an organization. For example Ott (1989) employed a qualitative approach in analyzing the culture of AT & T, during the initial years of deregulation and the breakup of the Bell monopoly in the USA. Qualitative approaches, however are not likely to facilitate systematic comparisons between studies, because of likely variations that will exist between investigations (Sackman, 1991). Qualitative approaches may also be limited in their ability to contribute towards hypothesis testing and theory building particularly in terms of the time and expense involved. In order for general principles to be drawn from such approaches, a large number of case studies will first need to be completed (Schein 1990). Approaches using classifications therefore provide an alternative and sometimes more useful approach to the study of organizational culture.

Classification approaches to organizational culture

A number of authors have proposed that organizational cultures correspond to a range of ideal types, which are typically underpinned by two or more variables (Hampden-Turner, 1990). One of the best known studies of culture based on classification approach was conducted by Hofstede (1980) using data colleted from IBM employees in over 40 countries. Four dimensions (Power distance; uncertainty avoidance; individualism/collectivism; and masculinity/femininity) were developed to differentiate between nationalities which could then be applied to the study of organizations (Furnham and Gunter, 1993). Handy (1993) reports on the Hofstede's (1990) classification to provide cultural explanation of differences in management styles.

Other classifications tend to employ a two-by-two matrix as exemplified by: Deal and Kennedy (1982) who differentiate cultures in terms of the speed of feedback and the amount of risk employed; Harrison (1972) who classified organizational cultures using the degree of formalization and centralization as criteria; and Graves (1986) who discriminated between cultures based on the levels of bureaucracy and managerial-ego drive.

While these classifications have the potential to provide a common framework for differentiating and comparing cultures, one problem is that none of them goes beyond the descriptive level to understand and analyse the processes involved in culture formation and change (Furnham and Gunter, 1993). Furthermore, the presence of different classifications makes it difficult for the researcher to choose the type of classificatory system that he/she should employ in an investigation (Jamieson, 1980).

Arising from the classification approach are a number of quantitative methods for measuring the culture of organizations (Cook and Rousseau, 1998). Harrison (1975) for example, developed a questionnaire based on the typology of cultures, which was employed in a study of organizational cultures by Ott (1989). Other culture questionnaires include Cooke and Lafferty's (1983) *Organizational Culture Inventory*, the Organizational Culture Profile (O'Reilly *et al*, 1988) and the "Organizational Norms

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Opinionnaire" (Alexander, 1978). The strength of these quantitative methods lies in their potential to overcome the limitations of the more qualitative approaches mentioned earlier. Hence, questionnaires are able to cover large samples at less cost. Comparisons between studies are also neater, and the level of objectivity involved is generally higher (Sackman, 1991).

One draw back of the use of questionnaires concerns assumptions about the dimensions to be tapped, which may not be sufficiently relevant or comprehensive in relation to the organizations being investigated (Sackman, 1991). There is also the issue of the researcher imposing his/her own cultural perspective on the organization, rather than attempting to uncover its actual culture (Evered and Louis, 1981). Furthermore, quantitative approaches tend to suffer from an inability to go beyond the superficial aspects of organizational culture, while also fractionalizing a concept whose strength lies in bringing attention to the holistic nature of organizational phenomena (Saffold 1988; Schein, 1990).

In a review of the quantitative methods of research on organizational culture, Rousseau (1991) noted the absence of published data on the consensual validity of the questionnaires that were examined. Furnham and Gunter (1999) also noted the generally poor psychometric properties of these instruments, particularly in terms of their reliability and construct validity. Hence, Ott (1989) concluded that questionnaire approaches to uncovering culture failed to identify the underlying assumptions, while serving to prime organizational members to view their organization along dimensions suggested in the questionnaires, thus possibly confounding the results. Given the respective shortcomings of employing purely quantitative or qualitative methods, it is therefore suggested that a combination of approaches could give more reliable measures of organizational culture (Ott 1989). Siehl and Martin (1984) for example, examined the processes of transmitting and learning organizational culture by employing both quantitative and qualitative methods. Similarly, Lewis (1994) made use of a triangulation of methods in her study on organizational culture and change at a learning institution.

This review of approaches to understanding organizational culture shows considerable methodologies used to measure the phenomenon. This difference in approach reflects the lack of agreement that exists in defining underlying organizational culture. Whereas process- oriented approaches tend to focus on ascertaining underlying principles that may explain interconnecting patterns of behavioral manifestations, the classificatory models only describe the culture of a firm, using a variety of criteria or dimensions. However, despite this absence of a common view, there is strong agreement on the powerful and pervasive role of culture in organizational life (Roskin, 1986).

2.1.2 Organizational Culture Development

An organization's culture doesn't pop out of thin air and once established, it rarely fades away (Robbins 1993). He sees the organization's founders as having a major impact on the organization's early culture and thus create it in three ways: Hiring and keeping only employees who think and feel the same way they do, indoctrinating and socializing these employees to their way of thinking and feeling and their own behavior acting as a role model that encourages the employees to identify with them and thereby internalizing their beliefs, values and assumptions.

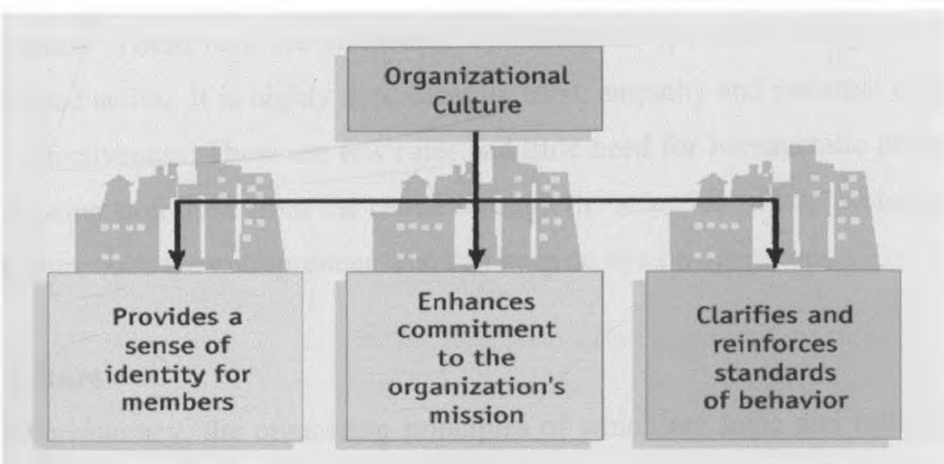
Robbins is of the opinion that, in case of the organization's success, the founder's vision is seen as a primary determinant of that success thus, the founders' entire personality becomes embedded in the culture of the organization. Similar conceptions of how organizational culture is created are offered by Greenberg and Baron (1995).

Armstrong (2006) proposed four ways in which values and norms that are the basis of culture are formed: ***Leaders*** – people identify with visionary leaders – how they behave and what they expect (Schein 1990); ***Critical incidents*** - Schein (1990) suggests that cultures are created through the way organizations have reacted to important incidents in the past and have thus evolved certain norms; ***Need to maintain effective working relationship*** – these establish values and expectations. (Furnman and Gunter 1993); ***Organizations environment*** – may be relatively dynamic or unchanging.

2.1.3 Role of Culture in Organizations

According to Greenberg (1995), organizational culture serves three major functions which are: It provides a sense of identity for members. The more clearly an organization's shared perception and values are defined, the more strongly people can associate with their organization's mission and feel a vital part of it; It also enhances commitment to the organization's mission. Sometimes it is difficult for people to go beyond thinking of their own interests but when there is a strong, overarching culture, however, people feel that they are part of the larger, well defined whole and are involved in the entire organization's work. Bigger than any one individual's interests, culture reminds people of what their organization is all about; Thirdly, it clarifies and reinforces standards of behavior – it guides employees' words and deeds, making it clear what they should do or say in a given situation, which is especially useful to newcomers thus providing a stability to behavior, both with respect to what an individual might do at different times and also what different individuals may do at the same time. Greenberg demonstrates it as shown in Figure 3.

Fig 3: The Basic Functions of Organizational Culture



Source: Greenberg (2003: 519), Behavior of Organizations

2.1.4 Basic types of organizational culture

Due to the variations existing between cultures, there are also different classifications of types of organizational cultures differing greatly in terms of their sophistication, the range of variables they take into consideration and their applicability across organizations. The initial way of elaborating and exploring the cultures of different organizations is to classify them into types.

One very influential classification scheme developed by Charles Handy (1986) distinguishes four types of culture stabilized in large enterprises;

Harrison/Handy Typology

Harrison (1972) suggests four main types of organizational culture *viz power, role, task* and *person.* This was latter modified by Handy (1978, 1985) by using simple pictograms and making reference to Greek mythology.

Power Culture

It has a single source of power from which rays of influence spread throughout the organization. These rays are connected by functional specialist strings which facilitate coordinated action. It is highly dependent on trust, empathy and personal communication for its effectiveness. There are few rules and little need for bureaucratic procedures, with control being exercised from the centre through the selection of key personnel and edict. This culture suits the entrepreneur who can keep an eye on operations.

Role culture

It is a bureaucracy, the organizing principles of which are logic and rationality with its strength lying in its functions or specialities which can be thought of as a series of pillars which are coordinated and controlled by a small group of senior executives. The rules, procedures and job descriptions dominate the internal environment and promotion is based on the satisfactory performance of individuals in their jobs. Handy presents this as a Greek temple, and its associated god is Apollo, the god of reason.

Such a structure is typical of many large organizations and has often been identified with the traditional public sector/governmental organizations. In recent times, many organizations have been trying to move away from the inflexibility that such structure produces.

Task Culture

One which power is somewhat diffused, being based on expertise rather than position or charisma. It often develops in those organizations which can focus on specific jobs or projects to which teams may be assigned. Its focus is on accomplishing the job in hand, and the internal organization of such institutions centres on bringing together the appropriate people and resources to make the project successful. It is a team culture in which work is the common enemy. The most important organizing principles here are flexibility, adaptability, individual autonomy and mutual respect based on ability rather than age or status.

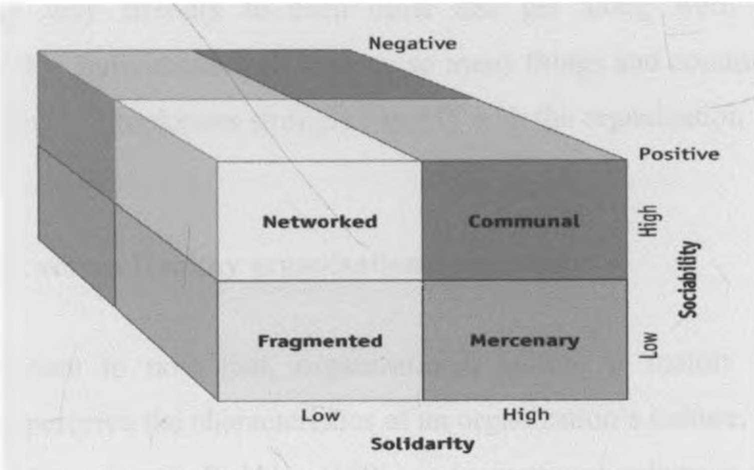
Person Culture

It develops when a group of people decide that it is in their own best interests to organize on a collective rather than an individual basis as in the case of doctors, architects etc who band together in order to share the costs of office space, equipment and secretarial assistance. The individuals decide on their own work allocations, with rules and coordinative mechanisms of minimal significance. They have complete autonomy, influence is shared, and if power is to be exercised, it is usually on the basis of expertise.

Greenberg's Typology

Greenberg (1995) came up with four types of organizational cultures namely, *networked, mercenary, fragmented* and *communal* cultures. He used a system of categorizing known as the **double S cube** which combines two dimensions – sociability and solidarity. Sociability is a dimension of the double S cube characterized by the degree of friendliness typically found among members of an organization whereas solidarity is a dimension characterized by the degree to which people in an organization share a common understanding of the tasks and goals about which they are working. Greenberg's typology is presented in the figure 4.

Fig 4: The double S Cube



(Source: "Double S Cube" from The character of a corporation by Rob Goffee and Gareth Jones. Copyright © 1998 by Rob Goffee and Gareth Jones. Reproduced by permission of Harpercollins Publishers, inc.)

Networked Culture

This type of organizational culture is characterized by high levels of sociability and low levels of high solidarity. They are extremely friendly and lighthearted in style.

Mercenary Culture

This type is characterized by a low degree of sociability and a high degree of solidarity. It involves people who are highly focused on pulling together to get the job done. Communication is swift, direct and handled in a no-nonsense way.

Fragmented Culture

It is characterized by a low degree of sociability and low degree of solidarity. There is little contact with their associates, and they may not even know each other. People generally leave each other alone. Absence is common and people do not identify with the organization in which they work.

Communal Cultures

It is characterized by both a high degree of sociability and a high degree of solidarity. People are very friendly to each other and get along well, both personally and professionally. Individuals tend to share so many things and communication flows easily across all levels. Employees strongly identify with the organization.

2.1.5 Toxic versus Healthy organizational cultures

It is important to note that, organizational culture is mainly concerned with how employees perceive the characteristics of an organization's culture, not with whether they like them. According to Robbins (1993), organizational culture is a descriptive term and hence different from job satisfaction in that it seeks to measure how employees see their organization: Does it encourage teamwork? Does it reward innovation? Does it stifle initiative?

Toxic organizational cultures are those in which people feel that they are not valued. Greenberg asserts that, organizations with toxic cultures tend to loose good employees and struggle to be profitable as a result. On the contrary, healthy organizational cultures are those in which people feel that they are valued. This can be said as the opposite of toxic organizational cultures as it tends to have very low turnover and do generally thrive.

2.2. ORGANIZATIONAL PERFORMANCE

Culture is just one of the factors that affect performance. Many other factors can be said to affect the organization performance. Ogeto (1994) lists them as: - clear objectives, competitive environment, competent managers with autonomy, motivation, viability of the business undertaking, selective disinvestment, pricing policy, labour policy, commercial policy and financing policy.

Hersey *et al* (1996) argue that vision and missions alone are not enough to create peak performance. Decisions need to be made about how to get there, that is strategic choices.

He further explains that, strategies, by themselves, do not create results either. Strategies are only decisions, and those decisions or choices have to be interpreted by the people who will implement them. Many authors agree that the interpretation is influenced by organization culture.

Improving business performance through strategic human resource management

Armstrong and Baron (2002) argued that strategic approach to human resource management can and does improve business performance. Demonstrating from Guest *et al* they summarised the main practice areas that can make an impact as: Job design, training and development, culture change, attracting developing and retaining high quality people, managing knowledge and intellectual capital, increasing motivation commitment and role management and lastly, empowering employees to exhibit the behavior most closely associated with higher business performance such as leadership, risk-taking, innovativeness, sharing of knowledge, focus on customers and teamwork.

2.3 ORGANIZATIONAL CULTURE AND PERFORMANCE

Many authors have addressed the topic but little rigorous research has actually been undertaken. Peters and Waterman (1982) attempted to identify the factors that made firms successful – within a short span of time some companies which possessed the characteristics were unsuccessful. There are also studies done by Denison (1990) and those by Kotter and Heskett (1992) to attempt and address this issue in a rational and consistent manner.

Most studies have generally used 'performance' to refer to 'economic performance' often stating it as high and low economic performance. This is so because of the scarcity of data concerning other indicators of effectiveness.

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Denison (1990) carried out qualitative and quantitative research studies which came up with different aspects of an organization's culture that have an impact on organization's effectiveness.

These aspects he labeled **involvement, consistency, adaptability**, and **mission.** Kotter and Heskett's (1992) findings are quite similar and build on Denison's. They argue that, performance-enhancing organizational cultures are those that have many shared values and practices, are able to adapt to change, are strategically appropriate, and which value both large stakeholders and effective leadership at all levels.

The Involvement Hypothesis

The involvement hypothesis states that, organizational effectiveness is a function of the level of involvement and participation of an organization's members which can either be informal and spontaneous or formally structured and planned. According to Denison, voluntary, bottom-up involvement and structured approaches for achieving involvement have a positive impact on effectiveness. The argument above insinuates that, high levels of involvement and participation create a sense of ownership and responsibility. The result is greater employee commitment to organization, reducing the need for formal systems of control, and leading to performance enhancement.

The consistency hypothesis

The consistency hypothesis states that a shared system of beliefs, values and symbols is an effective basis for reaching consensus and achieving co-ordinated action. In this case, communication is a more reliable process for exchanging information because there is general agreement on the meaning of words, actions and other symbols. Organization effectiveness can also be facilitated by consistently held value-based principles which prescribe action in unfamiliar situations.

Culture fit, adaptation and mission

It has been suggested that, high economic performance is correlated with a strategically appropriate culture. This view suggests that, those organizations with culture which 'fit' the environment and the business strategy will perform well relative to those whose fit is poor.

Brown (1998) affirms that, different cultures will be appropriate in different competitive environments and for different strategies, so there is no one best culture that always breeds success. However, it may well be that the culture has to be strong, as well as contextually suited, in order for an organization to attain excellent performance.

2.3.1 Culture Strength and Performance

According to Brown (1998) one of the most widely cited hypotheses is that a strong culture enables an organization to achieve excellent performance. The term 'strong' is usually used as a synonym for consistency thus 'strong culture' refers to companies in which beliefs and values are shared relatively consistently throughout an organization. It has been hypothesized that strong cultures enables organizations to achieve excellent performance. Deal and Kennedy (1982: 15) have argued that:

> *The impact of a strong culture on productivity is amazing. In the extreme, we estimate that a company can gain as much as one or two hours of productive work per employee per day.*

A strong culture leads to exceptional performance in the following ways:

It facilitates goal alignment. Employees share the same basic assumptions and can agree on goals and means of achieving thus their initiative, energy and enthusiasm are all channeled in the same direction in any case reducing the problems of co-ordination and control. There is quick and effective communication and resources are not wasted in internal conflicts. This leads to a healthy organizational performance.

It leads to high levels of employee motivation. Employees like to be part of an organization with a distinctive style and ethos with its own peculiarities and idiosyncrasies and with others who share their view on how an organization should work (Brown 1998). He argues that, strong culture organizations incorporate practices which make working for them rewarding.

These practices tend to include employee participation in decision making and various recognition schemes. High level of motivation among employees, so the argument states, translate into high organizational performance.

It is better able to learn from its past. According to Brown (1998), a strong culture possesses agreed norms of behavior, integrative rituals and ceremonies, and well-known stories. These reinforce consensus on the interpretation of issues and events based on past experience, provide precedents from the organizations history which help decide how to meet new challenges, and promote self-understanding and social cohesion through shared knowledge of the past. This suggests that, an organization which is able to reflect on its development and which is able to draw on a stock of knowledge encoded in stories, rules of the thumb and general heuristics is likely to perform better than competitors unable to learn from their past successes and failures.

Wallace and Szilagyi (1982) argue that cultural factors can facilitate or constrain performance of organizations. They suggest that, among the cultural factors that should be considered by managers are political-legal, economic and sociological factors.

On the effects of organizational culture, Greenberg explains that it exerts many influences on individuals and organizational processes in which others will be dramatic and others more subtle. He argues that culture generates strong pressures on people to go along, to think and act in ways consistent with the existing culture – this will then affect everything i.e. from the dressing, behavior, to the processes and organization procedures. Greenberg confirms that researchers have established a link between culture and performance, especially where that culture is strong to mean that, its basic elements are widely accepted (The experiment carried out using a consumer products company Alberto- Culver). According to Rollinson, (1998), culture has been studied by several disciplines, all of which have their own distinct approach. The disciplines do include anthropology, sociology, social psychology and economics.

He argues that, although economic seldom results in the study of culture itself, economists do regard culture as a variable that can be used to explain the superior or inferior economic performance of an organization, and elements of this approach can be found in the study of so-called excellent companies (Goldsmith and Clutterbuck 1984; Peters and Waterman 1982).

CHAPTER THREE

METHODOLOGY

3.0 RESEARCH DESIGN

The survey method was used because the research problem required comparative data from a cross section of organizations.

3.1 Population

The population of this study consisted of 116 Kenyan State Corporations which participated in performance Contracting for the financial year 2005/2006 (Appendix 2).

3.2 Sample

To be able to compare performance of these organizations, it was necessary to include in the study only those that used similar performance indicators. For this reason, organizations in the Financial and Commercial/Manufacturing sectors were chosen for this study. The firms in the other sectors use different measures of performance. The second reason for choosing these sectors is that together they have 35 organizations which forms a third of the entire population thus making it a representative sample.

3.3 Data Collection

Both primary and secondary data was used in this study. The primary data which was on culture was collected through structured questionnaires administered on a drop and pick basis. The respondents comprised the human resource managers and two middle level managers in each Corporation.

The questionnaire was adopted from Roger Harrison (1972). It is concerned with the identification of the existing culture in the organizations. The questionnaire divides the organizations into four categories: power, role, task and self. It consists of fifteen sets of four choice questions which employees have to score on a 1 – 4 grading scale.

Performance was measured using secondary data on Corporations Performance Results for the financial year 2005/2006. This period covers 1st July 2005 – 30th June 2006. The performance results for the Corporations are in Appendix 2. The formula for calculating the composite score is shown in Appendix 3.

3.4 Data Analysis

The Spearman rank order correlation statistic was used to test for the significance of the relationship between culture and performance.

The questionnaire was analysed first to determine the dominant culture of the firm.
The four statements in the questionnaire (a, b, c and d) have been arranged in such a way that all 'a' statements represent a particular culture so is 'b' through'd' thus we will be able to know the culture which will be dominant after adding up all 'a' (power culture),'b (role culture)', 'c' (task culture) and'd' (person culture). If for example, 'a' is the dominant culture, the total points for all 'a' answers will be the lowest compared to the others as the respondent will have been giving the statement '1' as it would best represent the dominant view in their firm.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Response Rate

Data was collected from a percentage of the 35 State Corporations in the Financial and Commercial/Manufacturing sectors. The research realized 77% response of which 6% were ineffective. From this 71% was left for purposes of analysis.

4.2 Culture Analysis

Survey design was used with the use of questionnaires adopted from Roger Harrison (1972). The questionnaire divided the organizations into four categories namely: power, role, task and self/person cultures.

The questionnaire was analysed first to determine the dominant culture of the organizations. The four statements in the questionnaire (a, b, c and d) were arranged in such a way that all 'a' statements represent power culture, 'b'task culture, 'c' role culture, and 'd' self/person culture. The dominant culture was determined after adding up all 'a' 'b' 'c' and d' of the 15 questions given. The lowest figure represents the dominant culture for respondents will have either ranked it 1 or 2 which ranks the culture high.

Table 2 shows the analysis of the culture.

Table 2: Analysis of Organizational Culture in State Corporations

1. Financial

NO	CORPORATION	POWER	TASK	ROLE	SELF
1	Agricultural Finance Corporation	55	31	**23**	41
2	Industrial & Commercial Development Corporation	37	**20**	44	49
3.	Kenya Tourist Development Corporation	59	40	**24**	27
4.	Kenya Roads Board	52	41	**27**	30
5.	National Social Security Fund	45	42	**20**	43
6.	National Hospital Insurance Fund	36	**33**	34	47
7.	Kenya Revenue Authority	-	-	-	-
8.	Kenya Industrial Estates	47	35	**28**	40

2. Commercial/Manufacturing

NO	CORPORATION	POWER	TASK	ROLE	SELF
1.	Kenya Seed Company	56	37	**22**	35
2.	Kenya Pipeline Company	47	**24**	37	42
3.	National Oil Corporation Company	-	-	-	-
4.	Postal Corporation of Kenya	45	**21**	34	50
5.	Kenya Wine Agencies Ltd	43	36	**21**	50
6.	Kenya Airports Authority	56	39	**24**	31
7.	Nzoia Sugar Company	-	-	-	-
8.	National Water Conservation and Pipeline Corporation	41	**26**	32	51
9.	Kenya Electricity Generating Company	48	30	**26**	46
10.	National Housing Corporation	-	-	-	-
11.	Kenyatta International Conference Centre	47	**29**	33	41
12.	Kenya Broadcasting Corporation	55	37	**26**	32

13.	Kenya Literature Bureau	52	30	**28**	40
14.	Kenya Power & Lighting Company	41	34	**29**	46
15.	Kenya Railways Corporation	43	40	34	**33**
16.	Kenya Medical Supplies Agency	50	46	**26**	28
17.	Kenya Ports Authority	-	-	-	-
18.	Pyrethrum Board of Kenya	-	-	-	-
19.	Agro Chemical & Food Company	-	-	-	-
20.	East African Portland Cement Company	39	46	**24**	41
21.	Numerical Machining Complex				
22.	National Cereals and Produce Board	**21**	31	48	50
23.	Nyayo Tea Zones Development	-	-	-	-
24.	Jomo Kenyatta Foundation	49	35	**31**	35
25.	Telkom Kenya Limited	**31**	34	37	48
26.	Chemelil Sugar Company	**34**	36	35	45
27	South Nyanza Sugar Company	-	-	-	-

This is further categorized as:

Table 3 - Power Culture

NO	CORPORATION	POWER	TASK	ROLE	SELF
1	National Cereals and Produce Board	**21**	31	48	50
2	Telkom Kenya Limited	**31**	34	37	48
3	Chemelil Sugar Company	**34**	36	35	45

As shown in table 3, power is the dominant culture in three organizations listed in the table.

Table 4 – Task Culture

NO	CORPORATION	POWER	TASK	ROLE	SELF
1	Industrial & Commercial Development Corporation	37	**20**	44	49
2	National Hospital Insurance Fund	36	**33**	34	47
3	Kenya Pipeline Company	47	**24**	37	42
4	Postal Corporation of Kenya	45	**21**	34	50
5	National Water Conservation and Pipeline Corporation	41	**26**	32	51
6	Kenyatta International Conference Centre	47	**29**	33	41

As shown in table 4, task is the dominant culture in six organizations listed in the table.

Table 5 – Role Culture

NO	CORPORATION	POWER	TASK	ROLE	SELF
1	Agriculture Finance Corporation	55	31	**23**	41
2	Kenya Tourist Development Corporation	59	40	**24**	27
3.	Kenya Roads Board	52	41	**27**	30
4.	National Social Security Fund	45	42	**20**	43
5.	Kenya Industrial Estates	47	35	**28**	40
6.	Kenya Seed Company	56	37	**22**	35
7.	Kenya Wine Agencies Ltd	43	36	**21**	50
8.	Kenya Airports Authority	56	39	**24**	31
9.	Kenya Electricity Generating Company	48	30	**26**	46
10.	Kenya Broadcasting Corporation	55	37	**26**	32
11.	Kenya Literature Bureau	52	30	**28**	40
12.	Kenya Power & Lighting Company	41	34	**29**	46
13.	Kenya Medical Supplies Agency	50	46	**26**	28
14.	East African Portland Cement Company	39	46	**24**	41
15	Jomo Kenyatta Foundation	49	35	**31**	35

As shown in table 5, role is the dominant culture in 15 organizations listed in the table.

Table 6 – Self Culture

NO	CORPORATION	POWER	TASK	ROLE	SELF
1	Kenya Railways Corporation	43	40	34	**33**

As shown in table 6 self is the dominant culture in only one organization as listed in the table.

From the findings in table 3, 4, 5 and 6 the following represents the distribution of dominant cultures in the State Corporations.

Table 7 – Distribution of dominant cultures in the State Corporations

Culture	No. of Organizations	Percentage (%)
Power	3	12
Role	6	24
Task	15	60
Self	1	4

Diagrammatically the information in table 7 can be presented as follows:

Figure 5 - Distribution of dominant cultures in the State Corporations

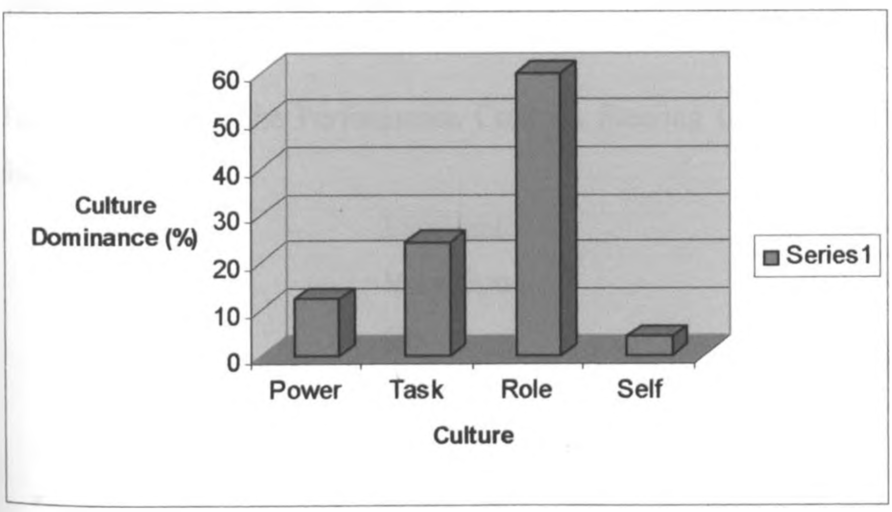
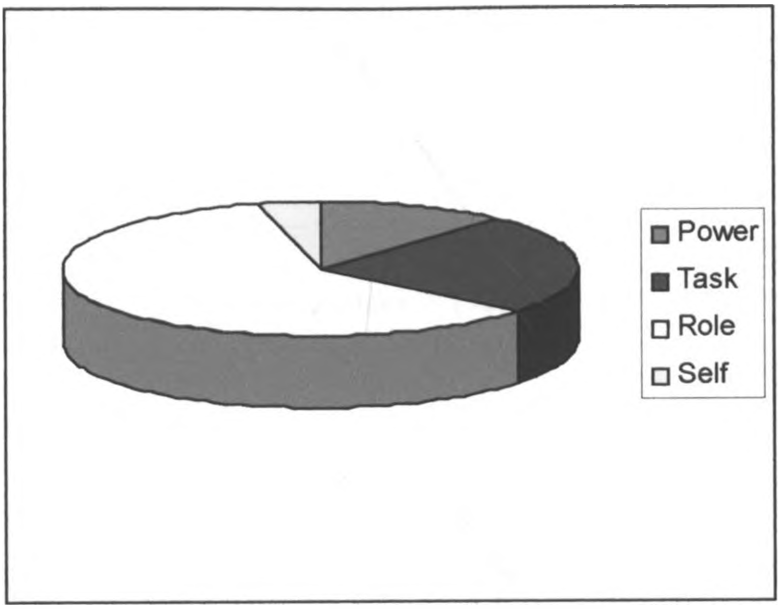


Figure 6 - Distribution of dominant cultures in the State Corporations



This indicates that the dominant culture in the State Corporations is **role culture**. This is because, majority of State Corporations (15 out of 25) ranked it lowest.

4.3 Organizational Performance Analysis

Performance was measured using secondary data on Corporations Performance Results for the financial year 2005/2006. This period covers 1st July 2005 – 30th June 2006. The performance results for the Corporations are in Appendix 2. The formula for calculating the composite score is shown in Appendix 3.

The scores as per the Performance Contract Steering Committee Report were rated as follows:

1.0 - 1.49	-	Excellent
1.50 – 2.49	-	Very Good
2.50 – 3.49	-	Good
3.50	-	Fair
3.51 – 5.0	-	Poor

4.4 Organizational Culture and Performance

The table below shows the dominant cultures and the related organization's performance.

Table 8 – Organizational Culture and Performance

Culture	No. of Organizations	Percentage (%)	Average Performance Composite Score	Performance Rating
Power	3	12	3.7790	Poor
Role	6	24	2.5113	Good
Task	15	60	2.181717	V. Good
Self/Person	1	4	2.4406	V. Good

The findings in table 7 indicate a relationship between culture and performance in the State Corporations. Task and person cultures are associated with very good performance. Role culture is linked to good performance while power culture is related to poor performance.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion

The objective of this study was to determine the relationship between organizational culture and performance in the State Corporations.

The results of this study revealed that the dominant culture in the State Corporations is task culture. Handy (1978, 1985) described this as one in which power is somewhat diffused, being based on expertise rather than position or charisma. It often develops in those organizations which can focus on specific jobs or projects to which teams may be assigned. Its focus is on accomplishing the job in hand, and the internal organization of such institutions centres on bringing together the appropriate people and resources to make the project successful.

It is a team culture in which work is the common enemy. The most important organizing principles here are flexibility, adaptability, individual autonomy and mutual respect based on ability rather than age or status.

It can therefore be generalized that, most of the State Corporations have moved towards these flexibility, adaptability, individual autonomy and mutual respect thus the production of the very good results. This has been said to be as a result of the performance contracting by these government bodies in which good results are rewarded whereas the poor results are punished. Another explanation which has been given to this is the filling of positions with the right people. Recruitment has been more transparent than in the past whereby individuals could fill the positions which they did not qualify for.

The role culture which has been typical of many large organizations and has often been identified with the traditional public sector/governmental organizations did not have a large percentage. Although its results were very good, they were not better than that of organizations with role culture. This indicates that, most of the state corporations which initially practiced the task culture have moved away to role cultures hence the reason for the very good performance.

There was only one organization with person culture. The explanation from one of the senior officers in the organization revealed that upon take over of the firm by a different management, the number of the employees reduced drastically and the few work together collectively to produce the desired results.

5.2 Conclusions

From the findings, we can conclude that there exists a relationship between organizational culture and performance. The different cultures have varied effects on the performance in that some were associated with very good performance, others good yet others were associated with poor performance.

5.3 Recommendations

From the foregoing, it is important for management of organizations to understand the culture that exists in the organizations and how it impacts on the general performance. This cannot be ignored especially when making important decisions. Where the culture does not favour the performance then it is imperative that change in the culture is inevitable.

Armstrong indicates that, strategies for culture management are about the achievement of longer – term objectives either for changing the culture in specified ways or for reinforcing the existing culture of an organization i.e. its values and "the way things are done around here".

He further comments that culture change strategies are concerned with how the culture of the organization can be moved from present state to a future desired state. The strategy will be based on an analysis of the present culture and the extent that it supports the achievement of business goals. This should identify areas where changes are deemed to be desirable. These changes can then be specified and plans developed for them to be implemented.

Culture reinforcement strategies on the other hand should be based on an understanding of the meaning of organization culture and climate and how they can be analyzed. He concludes that it is a matter of being aware of the various approaches to be adopted to manage the culture.

5.4 Suggestions for further Research

(i) Use other performance indicators to measure performance

(ii) Find out the relationship between organizational culture and performance in the other 6 sectors of the State Corporations.

(iii) Determine the relationship of organizational culture and performance in the private sector.

5.5 Limitations of the Study

The study had several limitations namely:

a) The research was only carried out on two sectors of the state corporations out of the eight. Further research should be carried out on the other sectors so as to generalize.
b) Some of the organizations believed that the performance contracting results did not reflect their actual performance in that some of the targets were not achievable due to environmental factors beyond the organizations. The categories also did not favor some of the organizations e.g. not all the corporations are profit making organizations hence being categorized with profit making organizations did not give them a competitive edge.

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Appendix 1: Questionnaire

Section A

PERSONAL DATA

Name of Organization ____________________

Year of Establishment ____________________

Sector ____________________

Designation of Respondent ____________________

Section B

Instructions – Give a '1' to the statement that best represents the dominant view in your organization, a '2' to the one next closest to your organizations position, and so on through '3' and '4'.

1. A good boss is:

— (a) strong, decisive and firm, but fair. He/She is protective, generous and indulgent to loyal subordinates.

— (b) impersonal and correct, avoiding the exercise of his/her authority for his/her own advantage. He/She demands from subordinates only that which is required by the formal systems.

— (c) egalitarian and capable of being influenced in matters concerning the task. He/She uses his/her authority to obtain the resources needed to complete the job.

— (d) concerned with and responsive to the persona needs and values of others. He/ She uses his/her position to provide satisfying and growth - stimulating work opportunities for subordinates.

2. A good subordinate is:

— (a) compliant, hard working, and loyal to the interests of his/her superior.

— (b) responsible and reliable, meeting the duties and responsibilities of his/her job and avoiding actions that surprise or embarrass his/her superior.

— (c) self-motivated to contribute his/her best to the task and is open with his/her ideas and suggestions. He/She is nevertheless willing to give the lead to others when they show greater expertise or ability.

— (d) vitally interested in the development of his/her own potentialities and is open to learning and to receiving help. He/She also respects the needs and values of others and is willing to help and contribute to their development.

3. A good member of the organization gives first priority to the:

— (a) personal demands of the boss.

— (b) duties, responsibilities, and requirements of his/her own role and to the customary standard of personal behavior.

— (c) requirements of the task for skill, ability, energy and material resources.

— (d) personal needs of the individuals involved.

4. People who do well in the organization are

— (a) shrewd and competitive, with a strong drive for power.

— (b) conscientious and responsible, with a strong sense of loyalty to the organization.

— (c) technically effective and competent, with a commitment to getting the job done.

— (d) effective and competent in personal relationships, with a strong commitment to the growth and development of people.

5. The organization treats the individual as:

— (a) though his/her time and energy were at the disposal of persons higher in the hierarchy.

— (b) though his/her time and energy were available through a contract with rights and responsibilities for both sides.

—(c) a co-worker who has committed his/her skills and abilities to the common cause.

— (d) an interesting and worthwhile person in his/her own right.

6. People are controlled and influenced by the:

— (a) personal exercise of economic and political power (rewards and punishments)

— (b) impersonal exercise of economic and political power to enforce procedures and standards of performance.

— (c) communication and discussion of task requirements leading to appropriate action motivated by personal commitment to goal achievement.

— (d) intrinsic interest and enjoyment to be found in their activities and/or concern and caring for the needs of the other persons involved.

7. It is legitimate for one person to control another's activities if:

— (a) he/she has more authority and power in the organization.

— (b) his/her role prescribes that he is responsible for directing the other.

— (c) he/she has more knowledge relevant to the task.

— (d) the other accepts that the first person's help or instruction can contribute to his/her learning and growth.

8. The basis of task assignment is the:

— (a) personal needs and judgment of those in authority

— (b) formal divisions of functions and responsibilities in the system.

— (c) resource and expertise requirements of the job done.

— (d) personal wishes and needs for learning and growth of individual organization members.

9. Work is performed out of:

— (a) hope and reward, fear and punishment, or personal loyalty toward a powerful individual.

— (b) respect for contractual obligations backed up by sanctions and loyalty toward the organization or system.

— (c) satisfaction in excellence of work and achievement and/or personal commitment to the task or goal.

— (d) enjoyment of the activity of its own sake and concern and respect for the needs and values of the other persons involved.

10. People work together when:

— (a) they are required to by higher authority or when they believe they can use each other for personal advantage.

— (b) coordination and exchange are specified by the formal system.

— (c) their joint contribution is needed to perform the task.

— (d) the collaboration is personally satisfying, stimulating, or challenging.

11. The purpose of competition is to:

— (a) gain personal power and advantage.

— (b) gain high-status positions in the formal system.

— (c) increase the excellence of the contribution to the task.

— (d) draw attention to one's own personal needs.

12. Conflict is:

— (a) controlled by the intervention of higher authorities and often fostered by them to maintain their own power.

— (b) suppressed by reference to rules, procedures, and definitions of responsibility.

— (c) resolved through full discussion of the merits of the work issues involved.

— (d) resolved by open and deep discussion of personal needs and values involved.

13. Decisions are made by the:

— (a) person with the higher power and authority.

— (b) person whose job description carries the responsibility.

— (c) persons with the most knowledge and expertise about the problem.

— (d) persons most personally involved and affected by the outcome.

14. In an appropriate control and communication structure:

— (a) command flows from the top down in a simple pyramid so that anyone who is higher in the pyramid has authority over anyone who is lower. Information flows up through the chain of command.

— (b) directives flows from the top down and information flows upwards within functional pyramids which meet at the top. The authority and responsibility of a role is limited to the roles beneath it in its own pyramid. Cross-functional exchange is constricted.

— (c) information about task requirements and problems flows from the center of task activity upwards and outwards, with those closest to the task determining the resources and support needed from the rest of the organization. A coordinating function may set priorities and overall resource levels based on information from all task centres. The structure shifts with the nature and location of the tasks.

— (d) information and influence flow from person to person, based on voluntary relationships initiated for purposes of work, learning, mutual support and enjoyment, and shared vaues. A coordinating function may establish overall levels of contribution needed for the maintenance of the organization. The tasks are assigned by mutual agreement.

15. The environment is responded to as though it were:

— (a) a competitive jungle in which everyone is against everyone else, and those who do not exploit others are themselves exploited.

— (b) an orderly and rational system in which competition is limited by law, and there can be negotiation or compromise to resolve conflict.

— (c) a complex imperfect forms and systems which are to be reshaped and improved by the achievements of the organization.

— (d) a complex of potential threats and support. It is used and manipulated by the organization both as a means of self-nourishment and as a ply-and-work space for the enjoyment and growth of organization members.

Appendix 2 - Performance Evaluation Results For State Corporations by Functional Category – Financial Year 2005/2006

1. Financial

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1	Agriculture Finance Corporation	Trade and Industry	1.9448
2	Industrial & Commercial Development Corporation	Tourism and Wildlife	2.1861
3.	Kenya Tourist Development Corporation	Tourism and wildlife	2.2766
4.	Kenya Roads Board	Roads and Public Works	2.5384
5.	National Social Security Fund	Labour	2.5462
6.	National Hospital Insurance Fund	Health	2.6858
7.	Kenya Revenue Authority	Finance	2.7345
8.	Kenya Industrial Estates	Trade and Industry	3.7559

2. Commercial/Manufacturing

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1.	Kenya Seed Company	Agriculture	1.7806
2.	Kenya Pipeline Company	Energy	1.8300
3.	National Oil Corporation Company	Energy	1.8402
4.	Postal Corporation of Kenya	Information and Technology	1.8736
5.	Kenya Wine Agencies Ltd	Trade	1.8766
6.	Kenya Airports Authority	Transport	1.8966
7.	Nzoia Sugar Company	Agriculture	2.1193
8.	National Water Conservation and Pipeline Corporation	Water and Irrigation	2.1859
9.	Kenya Electricity Generating Company	Energy	2.2135
10.	National Housing Corporation	Housing	2.2640
11.	Kenyatta International Conference Centre	Tourism and Wildlife	2.3298
12.	Kenya Broadcasting Corporation	Information and Communications	2.3332
13.	Kenya Literature Bureau	Education	2.3512
14.	Kenya Power & Lighting Company	Energy	2.3664
15.	Kenya Railways Corporation	Transport	2.4406
16.	Kenya Medical Supplies Agency	Health	2.5757
17.	Kenya Ports Authority	Transport	2.8881
18.	Pyrethrum Board of Kenya	Agriculture	2.9666
19.	Agro Chemical & Food Company	Agriculture	3.1680
20.	East African Portland Cement Company	Trade & Industry	3.1938
21.	Numerical Machining Complex	Trade and Industry	3.5752

22.	National Cereals and Produce Board	Agriculture	3.6011
23.	Nyayo Tea Zones Development	Agriculture	3.7203
24.	Jomo Kenyatta Foundation	Education	3.8339
25.	Telkom Kenya Limited	Information and Communications	3.8661
26.	Chemelil Sugar Company	Agriculture	3.8790
27	South Nyanza Sugar Company	Agriculture	4.1722

3. Regulatory

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1.	Kenya Plant Health Inspectorate Services	Agriculture	2.0682
2.	NGO Coordination Bureau	National Heritage	2.1055
3.	Kenya Dairy Board	Livestock & Fisheries Development	2.1592
4.	Retirement Benefits Authority	Finance	2.1604
5.	Capital Markets Authority	Finance	2.1860
6.	Export Promotion Council	Trade	2.3251
7.	Catering and Tourist Training Development Levy Trustees	Tourism and Wildlife	2.3298
8.	Commission for Higher Education	Education	2.3840
9.	Communication Commissions of Kenya	Information and Communications	2.4337
10.	Horticultural Crops Development Authority	Agriculture	2.4408
11.	Kenya Sugar Board	Agriculture	2.4817
12	Electricity Regulatory Board	Energy	2.4864
13.	Water Services Regulatory Board	Water and Irrigation	2.5510
14.	Coffee Board of Kenya	Agriculture	2.6036
15.	National Irrigation Board	Water and Irrigation	2.6242
16.	Tea Board of Kenya	Agriculture	2.6394
17.	Kenya Industrial Property Institute	Trade and Industry	2.6580
18.	National Environment Management Authority	Environment and Natural Resources	2.6905
19.	Export Processing Zones Authority	Trade and Industry	2.7016
20.	Kenya Investment Authority	Trade and Industry	2.7860
21.	Kenya Maritime Authority	Transport	2.8222
22.	Kenya Civil Aviation Authority	Transport	2.8260

23.	National Commission on Gender and Development	Gender, Sports, culture and Social Services	2.9321
24.	Kenya Bureau of Standards	Trade and Industry	3.2946
25.	Council of Legal Education	Justice and Constitutional Affairs	3.8392

4. Public Universities

NO	UNIVERSITY	MINISTRY	COMPOSITE SCORE
1.	University of Nairobi	Education	2.1209
2.	Jomo Kenyatta University of Science and Technology	Education	2.3070
3.	Kenyatta University	Education	2.3721
4.	Moi University	Education	2.4040
5.	Maseno University	Education	2.4206
6.	Egerton University	Education	2.6630
7.	Western University College of Science and Technology*	Education	2.7801

5. Training and Research

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1.	Kenya Forestry Research Institute	Environment and Natural Resources	2.0211
2.	Kenya Institute of Administration	Public Service	2.0856
3.	Kenya Marine & Fisheries Research Institute	Livestock and Fisheries Development	2.0910
4.	Coffee Research Foundation	Agriculture	2.1350
5.	Kenya Agricultural Research Institute	Agriculture	2.3408
6.	Kenya Medical Research Institute	Health	2.3649
7.	Tea Research Foundation	Agriculture	2.3679
8.	National Museums of Kenya	National Heritage	2.3909
9.	Kenya Sugar Research	Agriculture	2.4069
10.	Kenya Institute of Public Policy Research and Analysis	Planning and National Development	2.5653
11.	Kenya Industrial and Research Development Institute	Trade and Industry	2.6129

* Now renamed Masinde Muliro University of Science and Technology

6. Service

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1.	Agricultural Development Corporation	Agriculture	1.9077
2.	Athi Water Services Board	Water and Irrigation	1.9904
3.	Tana Water Services Board	Water and Irrigation	2.0732
4.	Kenya Ferry Services	Transport	2.2521
5.	Lake Victoria South Water Services Board	Water and Irrigation	2.2537
6.	Northern Water Services Board	Water and Irrigation	2.2581
7.	Bomas of Kenya	Tourism and Wildlife	2.3118
8.	Kenya Accountants and Secretaries National Examinations Board	Finance	2.3277
9.	National Council for Persons with Disabilities	Gender, Sports, Culture and Social Services	2.3559
10.	National Aids Control Council	Special Programmes	2.4120
11.	Higher Education Loans Board	Education	2.4317
12	National Coordinating Agency for Population and Development	Planning and National Development	2.4379
13.	Rift Valley Water Services Board	Water and Irrigation	2.4999
14.	Local Authorities Provident Fund	Local Government	2.5191
15.	Moi Teaching and Referral Hospital	Health	2.5367
16.	Water Services Trust Fund	Water and Irrigation	2.5454
17.	Teachers Service Commission	Education	2.5887
18.	Water Resources Management Authority	Water and Irrigation	2.6486
19.	Kenya Tourist Board	Tourism and Wildlife	2.6764
20.	Lake Victoria North Water Service Board	Water and Irrigation	2.6800
21.	Kenya National Library Services	Gender, Sports, Culture and Social Services	2.7125
22.	Kenya National Examinations Council	Education	2.7201
23.	Kenya Wildlife Service	Tourism and Wildlife	2.7207
24.	Kenyatta National Hospital	Health	2.7591
25.	National Sports Stadia Management Board	Gender, Sports, Culture and Social Services	2.8658
26.	Kenya Ordinance Factories Corporation	Defense	3.0401
27.	Coast Water Services Board	Water and Irrigation	3.1088

7. Regional Development

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1.	Ewaso Ng'iro North Development Authority	Regional Development	2.3118
2.	Coast Development Authority	Regional Development	2.7710
3.	Kerio Valley Development Authority	Regional Development	3.0716
4.	Ewas Ng'iro South Development Authority	Regional Development	3.1524
5.	Lake Basin Development Authority	Regional Development	3.2007
6.	Tana & Athi Rivers Development Authority	Regional Development	3.2102

8. Tertiary Education

NO	CORPORATION	PARENT MINISTRY	COMPOSITE SCORE
1.	Kenya Medical Training	Health	2.0930
2.	Kenya Utalii College	Tourism and Wildlife	2.1209
3.	Kenya Water Institute	Water and Irrigation	2.4713
4.	Cooperative College of Kenya	Cooperative Development and Marketing	2.5748
5.	Kenya College of Communication and Technology	Information and Communication	3.3366

Source: Performance Contract Steering Committee, Office of the President

Appendix 3: Formula for the Composite Score

The results are classified within criteria ranges. The ranges are; 1.50 – 2.49, 2.50 – 3.49, 3.50, and 3.51 – 5.0. The lower the score, the better the performance and vice versa.

The raw score for each indicator within the criteria ranges is calculated using the formula below:

$$\text{Raw Score} = \text{Upper criteria value limit} + \frac{\text{span (target} - \text{actual)}}{\text{(Target} - \text{previous year)}}$$

$$= \text{Lower criteria value limit} - \frac{\text{Span (actual} - \text{Previous year)}}{\text{Target} - \text{previous year}}$$

After getting the raw score for each indicator, the weighted score is calculated by multiplying the weight of each indicator with the raw score.

The ultimate performance of the organization is determined by the composite score, which is the sum of all the weighted scores for all the indicators.

The overall performance will normally fall under any one of the criteria ranges above and adjudicated the same way.

Appendix 4 - KCAA PERFORMANCE TARGETS 2005/2006

	CRITERIA	UNIT	WT	YR	YR	TARGET
				2003/04	2004/05	2005/06
A	**Financial Indicators**					
	(i) Compliance with set budgetary levels	%	3	45	50	100
	(ii) Cost Reductions	Ksh mn	4	-	-	10
	(iii) Increase in Turnover	Ksh bn	10	1.38	1.50	1.70
	(iv) Utilization of allocated funds	%	3	-	-	100
	Weight Sub-Total		**20**			
B	**Non-Financial Indicators**					
	(i) Compliance with Strategic Plan	%	25	-	-	100%
	(ii) Acquisition of ISO Certificates	Status	10	-	-	Internal Appraisal
	Weight Sub-Total		**35**			
C	**Operations**					
	i) Output					
	(a) Compliance with ICAO SARPS	%	6	65	67	71
	(b) Reduction of Licensing and Certification time	Days	6	22		14
	(c)Availability of Equipment	%	3	75	20	85
	(d) Review air transport regulations	Status	3		75	Submit final draft
	(e) Review, Update harmonize Civil Aviation legislation	Status	3			Submit final draft
	(f) Develop a SAR Plan	Status	3			Complete strategic plan
	(g) Implement GNSS at JKIA & MIA	%	3			100
	ii) Project Implementation					
	(a) Timeliness	%	3	-	-	100
	(b) Quality	%	2	-	-	100
	(c) Completion	%	3	-	-	100
	Weight Sub-Total		**35**			
D	**Dynamic Indicators**					
	(a) Training	Status	1	12	17	TNA Report
	(b) Research & Development	No.	1	-	-	2
	(c) Customer Satisfaction	Status	1	-	-	Survey Report
	(d) (i) Repair & Maintenance	Status	0.5	-	-	Baseline Survey
	(ii) Repair & Maintenance	%	0.5			50%
	(e) Safety Measures at workplace	Status	0.5	-	-	Audit Report
	(f) Service Charter	Time	0.5	-	-	31/01/06
	(g) Completion of un-audited annual account	Time	1	-	30/09/05	30/09/05 – 06
	(h) Signing Performance Contract	Time	1	-	-	30/06/05
	(i) Corruption Prevention	%	0.5	-	-	100
	(j) HIV AIDS Behavior Change	%	0.5	-	-	Survey Report
	(k) Employee Satisfaction	Status	0.5			Baseline Survey
	(l) Tax Compliance	%	1			100
	(m) Project Completion	%	0.5			100
	Weight Sub- Total		**10**			
	TOTAL		**100**			

Source - *PC between MOT and KCAA Board for the Financial Year 2005/2006*

Appendix 5 – Letter to Respondents

Asneth Yagan

P.O Box 633 - 00100
NAIROBI

March, 2007

Respondent's Address

Dear

QUESTIONNAIRE

The attached questionnaire has been designed to gather information on the Relationship between Culture and Performance in the Kenyan State Corporations. This information will be used to complete a research project, a requirement for a degree in Master of Business Administration (MBA) at the University of Nairobi.

You have been carefully selected to take part in this survey. Please assist me in this venture by completing the attached questionnaire as accurately as possible. The information gathered will be used for academic purpose and recommendations shared with management to help them in enhancing performance. All information provided will be treated with utmost confidentiality.

Thank you for your co-operation.

Yours faithfully

Asneth Yagan