

The Relationship between Organizational Culture and Human Resource practices in the Kenyan Manufacturing Industry

By: Wamuyu Mahinda

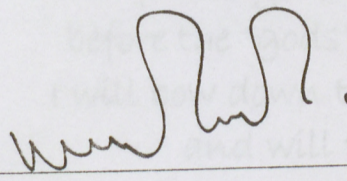
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fulfilment of the requirements for the degree of Master of
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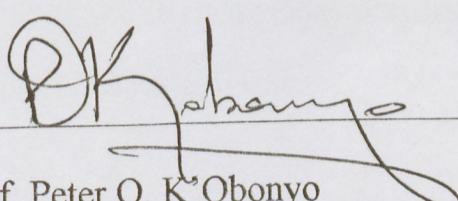
Declaration

This project is my own original work and has never been submitted for a degree in any other University

Signed:  Date: 22nd Sept 2002

Wamuyu Mahinda

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

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Dedication

This project has been accomplished with the encouragement, support and contribution from a number of people to whom I am deeply indebted. First, I would like to give my special thanks to Professor Peter G. K'Obonyo my supervisor who has helped me to complete this project.

I will praise you, O Lord, with all my heart:
before the "gods" I will sing your praise.
I will bow down towards your holy temple
and will praise your name
for your love and faithfulness,
for you have exalted above all things
your name and your word.
When I called, you answered me;
you made me bold and stout-hearted.

Psalms 138:1-3

My sincere appreciation also goes to my nephew Victor Mahinda, my sister Waguthi Mahugu, my friend Esther Njuguna and all members of my extended family, relatives and friends whose prayers and wishes of goodwill encouraged me to complete the programme.

Last but not least, I am thankful to the Almighty God for He did not leave me nor forsake me.

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I would also like to thank my sponsor, friend and husband, Geoffrey W. Mahinda for sacrifices made during my studies and for his unceasing support and encouragement. Affectionate appreciation and gratitude goes to my children Njambi, Gathoni and Mahinda who had to endure my long hours of absence and divided attention during the duration of my studies.

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Abstract

This study sought to investigate the relationship between Organizational culture and Human resource practices in the Kenyan Manufacturing Industry. Sixty-seven (67) manufacturing companies registered with Kenya Association of Manufacturers (KAM) were used as the sample. The objective of the study was to find out if differences in Human Resource Practices among organizations are related to the differences in their Organizational Culture. The study was based on primary data, which was collected using a questionnaire.

Data was obtained from 38% of the sixty-seven companies and analysed. The findings of the study reveal a relationship between organizational culture and human resource practices. Some cultures promote high Human resource management qualities while others promote medium or low qualities.

An observation was made that the dominant culture, task culture, promotes teamwork, offers reasonable employment security, encourages sharing of information and is associated with promotion of workers from within.

Limitations of the study include the fact that the study was conducted on only one sector of the Kenyan economy, namely the manufacturing industry.

1.1 Organizational Culture

Historically, studies of organizational culture have sought to find the key to unlock the mystery and power of culture to influence the performance of organizations and groups. Many of these studies have sought to establish the "good" and "bad" characteristics of culture, with a view to working out how to manage them in a rational and systematic way.

The relationship between Organizational Culture and Human Resource practices in the Kenyan Manufacturing Industry

Chapter One

Introduction

The intensification of research on organizational effectiveness has led to the identification of several organizational factors that have an influential role in the determination of organizational performance. Organizational culture is one such factor that has received much attention in organizational behaviour (Chatman & Jehn, 1994; Hofstede et al, 1990; Marcoulides & Heck, 1993; Schein, 1990; Trice and Beyer, 1984). In an effort to understand the forms and consequences of organizational culture, researchers have explored how various internal processes, such as individual and organizational selection and socialization (Harrison & Carroll, 1991), and characteristics of powerful members such as organization's founder (Schein, 1985) or groups of members (Schneider, 1987) influence the content and intensity of the consensus that exists about organizational values.

1.1 Organizational Culture

Historically, studies of organizational culture have sought to find the key to unlock the mystery and power of culture to influence the performance of organizations and groups. Many of these studies have sought to establish the "good" and "bad" characteristics of culture, with a view to working out how to manage them in a rational and systematic way.

Recently, there has been a more insightful approach taken that seeks to focus on the real issue of importance: that is, the impact of culture on the long-term sustainability of high levels of performance. The global economic climate has reinforced the need for all organizations to deal more effectively and immediately with the increasing complexity of growth and success in their world markets. The driving concern is to seek clearer and more incisive appreciation of the role of culture in business success and to assist leaders come to grips with the extraordinary responsibility they have for creating a culture in which success can flourish.

An Organizational Culture is the amalgamation of its people's attitudes, beliefs and behaviours. It is often expressed as "the way we do things here". The definition of a group's culture is also a definition of the limits of the group's capabilities. Its achievements will always be an outcome of its culture and be bound by it, because an organization is incapable of achieving what its people cannot envisage or encompass (Anderson, 2001).

In other words, organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artefacts) of the members and their behaviours. Schein (1985) defines 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

valid and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”

This definition shows that culture has to do with groups of people collectively, who through their day to day experience together in the work environment, will build a picture of what the organization is all about and how it undertakes its purpose. This picture is built through learning how to behave for survival and progression.

1.2 Typology of Organizational Culture

According to Kotter & Heskett (1992) all firms have cultures although some are stronger than others. These cultures can exact a powerful effect on individuals and on performance especially in a competitive environment. The influence of Culture may even be greater than all those factors that have been discussed most often in organizational and business literature namely: strategy, organizational structure, management systems, financial analysis tools and leadership, to mention but a few.

Some models of culture types are identified in this section as these are often linked to the way organizational culture is perceived to be created.

Harrison (1972) defined a four-quadrant model based on the twin axis of Formulation (high-low) to give the four cultures of Role, Task, Atomistic (Person) and Power. Handy (1985) uses a similar model but names his 4 types as Apollo, Athena, Dionysus and Zeus, respectively, after the Greek Gods displaying those characteristics.

Quinn & McGrath (1985) develops the idea of four types of organizational form (Hierarchy, Market, Clan and Adhocracy) based on 4 cultural types, of Hierarchical, Rational, Consensual and Ideological. These match closely to Harrison's and Handy's models.

Whilst the above examples of Cultural types reflect a structural view of organizations, others have a more action-oriented view. Kono (1990) identified 5 cultural types: Vitalised, 'Follow the leader and vitalised', Bureaucratic, Stagnant, 'Follow the leader and stagnant'.

Deal and Kenny's (1982) culture types reflect how an organization responds to the marketplace: the tough-guy, macho culture, the work-hard/play-hard culture, the bet-your-company culture and the process culture.

A third view is more behavioural. Alvesson (1993) uses a metaphor concept, believing they are "a crucial element in how people relate to reality" and that it "might encourage a deeper, more sceptical and reflective perception of what people mean by culture" and be more valuable than a pure scientific approach. His 10 main metaphors, based on the interpretation of the work of others, are

cultures as: exchange regulator, compass, social glue, sacred cow, manager-controlled rites, affect-regulator, non-order, blinder, world-closure, and dramaturgical domination. Most of these reflect a culture of management direction, control or manipulation.

1.3 Human Resource Management

Human resource management includes a variety of activities, and key among them is deciding what staffing needs you have and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues and ensuring your personnel and management practices conform to various regulations. Activities also include managing your approach to employee benefits and compensation, employee records and personnel policies.

According to Beardwell & Holden, (1997) Human resource management has emerged as a set of prescriptions for managing people at work. Its central claim is that by matching the size and skills of the workforce to the productive requirements of the organization, and by raising the quality of individual employee' contributions to production, organizations can make significant improvements on their performance.

1.4 Human Resource (HR) Best Practices

Human resource practices cannot be copied from one organization to another. A set of complementary HR practices that have produced increases in productivity, improved quality of service and given a firm a competitive advantage, will not necessarily produce the same, or even similar results in another organization, or part of that organization operating in the same industry. HR practices must be implemented with regard to the organizational context of a particular firm. Priorities for implementing particular sets or bundles of HR practices will vary between firms operating in similar markets in the same industry. The key determinant of this variation is organizational culture – a characteristic that defines the unique character of each organization.

1.5 The forces of Change in Kenya

The organisational events of the last ten years namely, outsourcing, downsizing, re-engineering, reduced organisational levels, acquisitions and joint ventures, high management turnover, broadened spans of management control, rapid technological change and globalisation are challenging traditional Human Resource practices in Kenya. The impact can be seen in many ways:

- There are fewer levels and broadened spans of organisational control, which means that organisations are finding it harder to retain talented people.

1.6 Research Problem

- Reduced budgets, more demanding shareholders and other investors have forced companies to focus developmental resources for optimum return in the short-term and invest less time to more resource-intensive and long-term approaches to HR
- External recruitment of talent has raised dramatically as many HR departments and their organisations have opted for this soft option rather than developing talent from within.
- Rapid technological change, the growth of e-business and the Internet, combined with globalisation, has altered the way work is performed.

As a result of this changes, the organisational culture has been affected. The workers attitudes, beliefs and behaviours have changed to cope with the changing patterns of work. Leaders in organisations have had to change their management approach to motivate staff and increase production especially when organisations have undergone downsizing or restructuring.

Workers in Kenya have developed new mechanisms to deal with increasing insecurity as organisations continue to downsize and outsource. The emerging culture is one that accommodates extremely difficult working circumstances and one calling for high endurance workers.

1.6 Research Problem

More than two decades ago, Barrett and Bass (1976) observed that, most research in industrial and organizational psychology is done within one cultural context. This context puts constraints upon both our theories and our practical solutions to the organizational problems. Their observation stems from the fact that, at the time of their review of cross-cultural industrial and organizational psychology literature, culture was not considered a critical contingency variable to explain organizational behaviour and human resource management (HRM) practices.

Both researchers and practitioners have started paying more attention to the study of Culture as an explanatory variable. This change in their attitudes has resulted in more in-depth and systematic studies of culture and its dimensions. At the same time, these changes have triggered a search for culture-fit models that provide a better understanding of how cultural variables may explain effectiveness of different HRM practices in different cultures. Although in the last two decades, psychologists have examined how culture influences HRM practices, research has remained exploratory, with post hoc explanations of the influence of culture (Aycan *et al*, 2000).

My Study intends to provide an analytical insight to the link between Organizational Culture and Human Resource practices.

1.6.1 Objective of the study

To find out if differences in Human resource practices among organizations are related to differences in their Organizational Culture

Chapter One: Introduction

This chapter contains the introduction on Culture and Human resources practices,

1.6.2 Significance of the study

the forces of change in Kenya, the statement of the problem, the objective of the study and the importance of the study

It is expected that the study will:

- contribute to a better understanding of the relationship between Cultures and Human Resource Practices.
- encourage Human Resource and Line Managers to take an interest in the Culture/Human resource relationship and its impact on organizational performance.
- add to knowledge and stimulate further research in other aspects of Human resources and Culture.

Chapter Two: Literature Review

This chapter covers a review of the literature on Organisational Culture, Typologies of Organisational Culture, Human resource Practices and the HR Scorecard.

Beneficiaries of the research include HR practitioners, Researchers and The Government.

Chapter Three: Research Method

This chapter carries information on the research method used. It covers the research design, population of study, data collection, analysis and interpretation.

Chapter Four: Results of the Study

This chapter contains data analysis and research findings

Chapter Five: Discussions, Summary and Conclusions

This chapter carries the synthesis of research findings, summary, conclusions, the limitations of the study and suggestions for further research.

1.7 Structure of the Research paper

The paper has five chapters whose contents are outlined below:

Chapter One: Introduction

This chapter contains the introduction on Culture and Human resource practices, the forces of change in Kenya, the statement of the problem, the objective of the study and the importance of the study.

Chapter Two: Literature Review

This chapter covers a review of the literature on Organisational Culture, Typologies of Organisational Culture, Human resource Practices and the HR Scorecard.

Chapter Three: Research Method

This chapter carries information on the research method used. It covers the research design, population of study, data collection, analysis and interpretation.

Chapter Four: Results of the Study

This chapter contains data analysis and research findings

Chapter Five: Discussions, Summary and Conclusions

This chapter carries the synthesis of research findings, summary, conclusions, the limitations of the study and suggestions for further research.

Chapter Two

Literature Review

2.0 Definitions and overview

2.1.0 Culture

Culture is beneath - in the sense that no one bothers to verbalize it, yet it forms the roots of action. This made one anthropologist liken it to an iceberg, with its largest implicit part beneath the water. Culture is man-made, confirmed by others, conventionalized and passed on for younger people or newcomers to learn. It provides people with a meaningful context in which to meet, to think about themselves and face the outer world. Cultures can be distinguished from each other by the differences in shared meanings they expect and attribute to their environment. Culture is not a "thing", a substance with a physical reality of its own. Rather, it is made by people interacting, and at the same time determining further interaction (Trompenaars & Hampden-Turner, 1998).

Organizations have personalities and attitudes just like people.... Company attitudes are manifested in how they handle their business: they may be a rough and ready 'let's get the job done' type of company, or one which is rather bureaucratic and likes to do things 'strictly by the book'...the attitudes of the companies employees are also part of their culture, and may have largely developed in response to their treatment by the company over the years (Drennan, 1992).

The key to effective leadership in corporations is reading and responding to cultural clues. "Throughout human history and across national boundaries, culture articulates a distinctive way of life. A robust culture in a cohesive enterprise is committed to a deep and abiding shared purpose. Its robustness is highly dependent on a unifying cultural tapestry woven over time as people cooperate and learn together" (Deal & Kennedy, 2000:3). To a large extent, culture is represented by values and beliefs.

2.1.1 Values and Beliefs

Beliefs and values form the bedrock of a company's cultural identity. Beliefs are shared convictions, widely accepted notions, of what's important. Values are what we stand for as a group, what we're all about, what we rally around even when things get tough (Deal & Kennedy, 2000).

A group, organisation or nation's culture exists on three levels. On the surface we find the manifestations of culture like systems, hierarchy, status symbols, written and unwritten laws of behaviour, quirks of language and rituals.

Below the surface lies the second level of culture, the level of values, beliefs and attitudes. Here, we find opinions and habits that underlie the surface behaviours. We also find preferences expressed in the form of what is valued by the culture. This level is not always talked about or recognised as motivating what a group does, but it is accessible and has the potential for change.

Different components of culture, both visible and invisible are captured by the following figure:

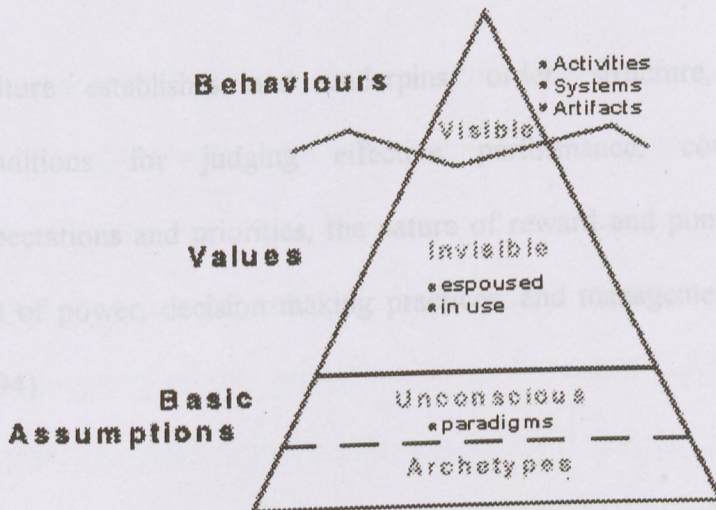


Figure 1: Rod Anderson - Understanding Organizational Culture

At an even deeper level of culture is the true source of its attitudes and behaviour. Here, the roots of a culture's history, presuppositions and assumptions are experienced and passed on by members of the culture as self evident truths on which they base their values and beliefs.

2.1.2 Organizational Culture

The pattern of dynamic relationships at the organization level is culture, which explains why organizational culture is so powerful that its impact supersedes all other factors...(Kotter & Heskett, 1992). Culture, "how we do things around here in order to succeed" is an organization's way, identity, pattern of dynamic

relationships, “reality.” It has everything to do with implementation and how success is actually achieved. No management idea, no matter how good, will work in practice (implementation) if it does not fit the culture.

Culture establishes and underpins: order, structure, membership criteria, conditions for judging effective performance, communication patterns, expectations and priorities, the nature of reward and punishment, the nature and use of power, decision making practices, and management practices (Schneider, 1994).

The notion ‘organizational culture’ draws attention not only to what is observed in the way an organization formally goes about its business, but also to the less obvious and more implicit informal characteristics that influence how decisions are made in practice and how people actually treat each other at work. It is these informal, latent and implicit aspects of organization life, which are increasingly being acknowledged as important facets of an organization’s make-up and which profoundly influence its behaviour and the well being of staff (Walton, 1997).

According to Trompenaars & Hampden-Turner (1998) Organizational Culture is shaped not only by technologies and markets, but also by the cultural preferences of the leader and employees. They further explain that there are three important aspects of organizational structure that determine the culture namely: The general relationship between employees and their organizations, the vertical or

hierarchical system of authority defining superiors and subordinates and finally the general views of employees about the organization's destiny, purpose and goals and their places in this.

The perceived impact of organizational culture on individual behaviour has been articulated for many years. M.P Carrol (1982) observed that culture, like morals, laws, and customs, shapes behaviour and is something that older generations hand down to younger ones. Hofstede (1991) likened culture to a collective programming of the minds of one group that differentiates them from other groups. He believes that this programming is derived from one's social culture. The advent of the computer has provided additional convenient metaphors for explaining the impact of culture on individuals. Hall (1987) likened culture to a large complex computer that programs the responses and actions of people. He argues that individuals must learn the programs of their organization's culture if they are to make the system work.

According to Hagberg & Heifetz in their paper "Organizational Culture: Understanding and Assessment", understanding and assessing the organization's culture can mean the difference between success and failure in today's fast changing business environment. The culture of an organization operates at both conscious and unconscious level and it drives the organization and its action. It is somewhat like "the operating system" of the organization. It guides how employees think, act and feel. It is dynamic and fluid, and it is never static. They

go on to say that if the organization wants to maximize its ability to attain its strategic objectives, it must understand if the prevailing culture supports and drives the actions necessary to achieve its strategic goals.

A shared narrative of the past lays the foundation for culture. Too often today's companies casually cast aside their historical roots in favour of what is in vogue. In doing so, they often forsake the core values and beliefs they have contributed to their success. They become rootless, sterile enterprises stalking whatever fashionable economic opportunity comes along. How do we balance the tradition that keeps us anchored and the innovation that keeps us current? That is one of the many dilemmas today's corporate leaders wrestle with. The trick is to maintain core values while altering peripheral practices to deal with contemporary issues (Deal & Kennedy, 2000).

2.1.3 Artefacts

Artefacts are the maintainers and transmitters of shared meanings and perceptions of truth and realities within organizations (Ott, 1989). They are often said to be the most visible and most superficial manifestations of an organization's culture. The category "artefacts" generally refers to the total physical and socially constructed environment of an organization (Brown, 1998). Artefacts are helpful for studying organizational culture, as they can be identified readily, often just by looking or listening. They provide clues about the less tangible, more ethereal levels of

organizational culture (Ott, 1989). Some fundamental subcategories of artefacts include:

- **Material objects** – annual reports, sales & advertising brochures
- **Physical layouts** – how office space is used (open or closed plan, shared or individual working spaces), the quality and functionality of the furnishing, dress codes (formal or informal), the relative location of different departments, and the general appearance of the building and car parks
- **Technology** – information technology such as computers, fax, machines, photocopiers and telephones
- **Language** – jokes, anecdotes, stories, metaphors and jargon terms
- **Behaviour patterns** – rites, rituals, ceremonies and celebrations
- **Symbols** – general category that encompasses material objects, physical layouts and other things and events such as posters and one-off actions by executives made to demonstrate a particular point.
- **Rules, systems, procedures and programmes** – human resource systems dealing with compensation, appraisal and promotion, rules governing the structure, composition and periodicity of committee meetings, and quality assurance programmes etc

2.1.4 Typologies of Organizational Culture

According to Capra (1996), research into the nature of living systems reveals that all living social organisms (organizations) have certain inalienable and consistent characteristics. When it comes to the true native living systems, reality turns out to be a pattern of dynamic relationships.

While no one organization has a pure culture throughout, every successful organization has a *core culture*. The core culture is central to the functioning of the organization, forming the nuclear core for how that organization operates in order to succeed. It is critical that this core or lead culture is aligned with the organization's strategy and core leadership practices. This alignment is central to any organization's effectiveness. Without it, focus is lost and energy wasted as people, systems and processes work at cross-purposes with one another (Collins & Porras, 1994).

Schneider, (1994) indicates that there are four core cultures: **control**, **collaboration**, **competence** and **cultivation**. Leaders create one of these four core cultures, consciously and/or unconsciously, from their own personal history, nature, socialization experiences, and *perception* of what it takes to succeed in their marketplace. Each of the four core cultures emerges from the following social organization archetypes:

- **Control:** military system; power motive
- **Collaboration:** family and/or athletic team system; affiliation motive

- **Competence:** university system; achievement motive
- **Cultivation:** religious system(s); growth, or self actualisation, motive

The four core epistemologies mean the following:

Control: This culture is all about *certainty*. It fundamentally exists to ensure certainty, predictability, safety, accuracy, and dependability. Organizational systematism means that the fundamental issue in a control culture is to preserve, grow, and ensure the well-being and success of the *organization per se*. The organization as a system comes first. Accordingly, the design and framework for information and knowledge in the control culture is built essentially around the goals of the organization, and the extent to which those goals are met. This culture is centered on *organizational goal attainment*.

Collaboration: This culture is all about *synergy*. It fundamentally exists to ensure unity, close connection with the customer, intense dedication to the customer. Experiential knowing means that the fundamental issue in a collaboration culture is the connection between people's experience and reality. The organization moves ahead through the diverse collective experience of people from inside and outside the organization. Collaboration culture people know something when diverse collective experience has been fully utilized. This culture is centered on *unique customer goal attainment*

Competence: This culture is all about *distinction*. It fundamentally exists to ensure the accomplishment of unparalleled, unmatched products or services. This is the culture of uniqueness per se, of one-of-a-kind products or services. Conceptual systematism means that the fundamental issue in a competence culture is the realization of conceptual goals, particularly superior, distinctive conceptual goals. The framework for information and knowledge is built essentially around the conceptual system goals of the organization and the extent to which those goals are met. This culture is centered on *conceptual goal attainment*

Figure 2: Typologies of Organizational Culture according to Charles Handy

Adapted from Handy (1986)

Cultivation: This culture is all about *enrichment*. It fundamentally exists to ensure the fullest growth of the customer, fulfillment of the customer's potential, the raising up of the customer. This culture is all about the further realization of ideals, values, and higher order purposes. Evaluational knowing means that the fundamental issue in the cultivation culture is the connection between the values and ideals of the organization and the extent to which those values and ideals are being operationalized. The key emphasis in this culture is the connection between what is espoused and what is put into operation. This culture is focused on *value-centered goal attainment*.

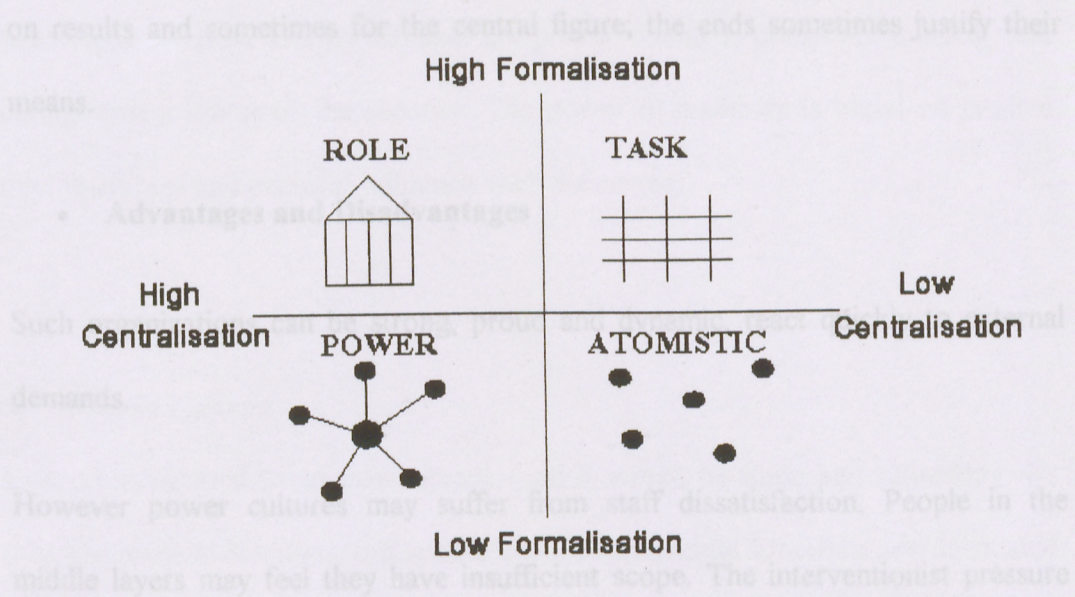


Figure 2: Typologies of Organizational Culture according to Charles Handy

Adapted from Handy (1985)

Handy reporting the work of Harrison, suggests that organisations can be classified under four cultures:

1. Power Culture

Many small enterprises and large conglomerates display the characteristics of a centralized power culture. This model is very much like Weber's Charismatic organisation. It is like a web with a ruling spider. Those in the web are dependent on a central power source. Rays of power and influence spread out from a central figure or group. There may be a specialist or functional structure but central control is exercised largely through appointing loyal key individuals and interventionist behaviour from the central power source. Effectiveness is judged

on results and sometimes for the central figure; the ends sometimes justify their means.

- **Advantages and Disadvantages**

Such organizations can be strong, proud and dynamic, react quickly to external demands.

However power cultures may suffer from staff dissatisfaction. People in the middle layers may feel they have insufficient scope. The interventionist pressure and constant need to refer to the centre may create dysfunctional competition and jostling for the support of the boss

The organisation is dependent on the ability and judgement of the central power - if weak then the organisation will struggle. As the power organisation grows, the centrist culture breaks down if it becomes impossible for the centre to keep up its interventionist, co-ordinating role. The large organisation may need to divisionalise (create other spiders webs linked to the central web).

- **Type of management and employee**

The dominant managerial style readily equates to Reddin's task-oriented-entrepreneurial style and shares its potential advantages and disadvantages.

Individuals succeed as long as they are power oriented, politically minded, risk taking with a low need for security. The power of members is based on control over resources and personal influence with the centre.

2. Role Culture

It is often referred to as bureaucracy, and it works by logic and rationality. Its pillars represent functions and specialisms. Departmental functions are delineated and empowered with their role e.g. the finance dept., the design dept etc. Work within and between departments (pillars) is controlled by procedures, role descriptions and authority definitions. Communication structures are well-defined systems and products (committee constitutions and reports, procedure manuals, official memoranda). There are mechanisms and rules for processing decisions and resolving conflicts. Matters are taken up the line where heads of functions can define a logical, rational & corporate response.

Co-ordination is at the top - the senior management group. Job position is central and not necessarily the jobholder as a person. People are appointed to role based on their ability to carry out the functions - satisfactory performance of role. This is very much in line with Weber's bureaucratic framework. Performance required is related to role and functional position. Performance over and above the role is not expected. Efficiency stems from rational allocation of work and conscientious performance of defined responsibility.

- **Advantages and Disadvantages**

Economies of scale are more important than flexibility or technical expertise and specialism more important than product innovation or product cost - the stability and conformity of the role culture has merits. Mintzberg refers to this model as the machine bureaucracy.

Role-cultures tend to develop in relatively stable environments. Importance is given to predictability, standardisation and consistency.

However the role-culture may find it harder to adjust to change. Rules, procedures and tested ways of doing things may no longer fit the circumstances. Burns & Stalker (1961) pointed out the problems of mechanistic organisations struggling to cope with dynamic market change. Similarly Reddin's bureaucratic management style - tends to place less emphasis on task innovation and people relationships.

Work in a role-culture is frustrating to someone who wants discretion and opportunity for innovation in his/her work. Those who are ambitious may focus on procedures and existing methods and work the committee structure.

Performance focuses on standard expectations rather than novel problem-solving to achieve results

- **Type of employee**

Employees benefit from security and predictability in working patterns.

They can be specialist's skills without risk. Salary and career progression

are predictable. Power is based on position not personal expression. Expert

power is tolerated if it is line with accepted position.

Application of rules and procedures are major methods of influence.

- **Examples**

Local government and he civil service, large insurance companies. IBM

by the late 1980's. However the pressures for enhancing market

competitiveness and with the application of various forms of de-

centralization and deregulation there have been many calls to make such

organizations more flexible and responsive. Downsizing and competitive

tendering are examples of how such organizations have changed.

3. **Task (Project team) Culture**

Imagine this culture as a net with small teams of cells at the interstices. It is very

much a small team approach to organizations. The modern jargon also refers to

organizational arrangements such as:

- network organization - small organizations co-operating together to deliver a project. So the large organization consists of lots of little ones that make their contribution.
- Matrix organizations that are project oriented with ever changing project or contract teams. Team or cell technologies fall into this mode of organizing

As a culture, power and influence are distributed to the interstices of the net.

The emphasis is on results and getting things done. Resources are given to the right people at whatever level who are brought together and given decision-making power to get on with the task. Individuals are empowered with discretion and control over their work. The task and results, the main focus, team composition and working relationships are founded on capability rather than status.

Types of employees

Most managers and technical types at junior and middle level prefer a task culture

which is implied by the work of the human relations theorists such as

- **Advantages and Disadvantages**

Team culture is flexible and adaptable. Teams are formed for specific purposes and then move on. Team composition changes according to the stage of the project. The team is flexible and sensitive to the environment. Client responsiveness is important.

It is the culture of Burns and Stalker's organic organization

Economies of scale are harder to realise - but computer communications and information systems facilitate sharing of information and co-ordination.

It fits managerial thinking on the need for democratic values

People in the team who want to specialise may be sucked into general problems solving and when the task changes they must move with it rather than a particular scientific or professional specialism.

Task culture is based on expert power, with some personal and positional power

Influence tends to be more widely dispersed with team members feeling that

he/she has more of it, in the team status and individual style differences are of less

and thus gain efficiency. The aspirations of the individual are integrated with the objectives of the organisation.

- allocation of projects and target setting,

- project budgets/resource allocation
- monitoring/review of progress systems.

Where resources become scarce, top management may intervene more closely.

There may be competition between project leaders for available resources. Either way morale may suffer. Individual priorities and objectives take over and the task culture may then become a power culture.

• Types of employees

Most managers and technical types at junior and middle level prefer a task culture which is implied by the work of the human relations theorists such as

- Likert: System 1 to System 4
- Herzberg - job enrichment
- Blake and Mouton 9.9 manager.
- Reddin's Executive/team leader.
- It is the culture of Burns and Stalker's organismic organization.
- It fits managerial thinking on the need for democratic values
- reward by results (management by objectives)

Task culture is based on expert power with some personal and positional power. Influence tends to be more widely dispersed with team members feeling that he/she has more of it. In the team status and individual style differences are of less significance. The group achieves synergy to harness creativity, problem-solving and thus gain efficiency. The aspirations of the individual are integrated with the objectives of the organisation.

4. Person Culture

The individual is the central point. If there is a structure it exists only to serve the individuals within it. If a group of individuals decide to band together to do their own thing and an office or secretary would help - it is a person culture. The culture only exists for the people concerned; it has no super-ordinate objective.

- **Advantages and Disadvantages**

This culture may be the only acceptable organization to particular groups - such as workers' co-operatives or where individuals basically work on their own but find some back up useful.

Only the originators are likely to achieve success - the organisation begins to take on its own identity and begins to impose on individuals so moving towards some of the other cultures.

2.1.5 An Integrated Model of Organizational Culture Typologies

I have come up with the integrated model Based on typologies by Schneider (1994), Handy (1985), Quinn & McGrath (1985) in an attempt to classify the four dimensions of organisational culture, in terms of their characteristics, ways of work, kind of leaders, type of workers and management styles. For purposes of this study the four dimensions have been named: (i) Power, (ii) Role, (iii) Task and

(iv) Person. Attempt is made in the following section to elaborate on the four dimensions of organizational culture.

2.1.5 (i) Power

Characteristics:

- This culture is all about enrichment
- It fundamentally exist to ensure the fullest growth of the customer and fulfilment of the customer's potential
- This culture is about the realization of ideals, values, and higher order purposes.
- The key emphasis is the connection between what is espoused and what is put into operation
- Culture is focused on value-centred goal attainment

Ways of work

- Rays of power and influence spread from a central figure or group
- Dependent on the ability & judgement of the central power
- They maybe a specialist of functional structure but central control is exercised largely through appointing, loyal key individuals and interventionist behaviour from the central power source.
- Effectiveness is judged on results and sometimes for the central figure; the ends justify their means.
- Such organizations can be strong, proud and dynamic and would react quickly to external demands.

Kind of Leader

- Charismatic
- Catalyst

- Cultivator
- Commitment builder
- Steward
- Appeal to higher-level vision

Type of employees

- Individuals succeed as long as they are power oriented and politically minded
- Should be risk taking with a low need for security
- Power of employee is based on control over resources and personal influence with the centre.
- Employees in the middle layers may suffer from dissatisfaction due to insufficient scope

Management style

- Empowerment
- Flexible organisations
- Quality of work-life

2.1.5 (ii) Role

Characteristics:

- Often referred to as bureaucratic
- This culture is all about certainty
- It exists to ensure certainty, predictability, safety, accuracy and dependability
- Fundamental issue is to preserve, grow, and ensure the well-being and success of the organization

Ways of Work

- The organization as a system comes first
- Culture is centred on organizational goal attainment
- Communication structures are well defined systems and products
- Coordination is at the top
- It is often referred to as bureaucracy and it works by logic and rationality
- Departmental functions are delineated and empowered with their role
- Work within and between departments is controlled by procedures, role descriptions and authority definitions
- Matters are taken up the line to the pediment of the Doric structure where heads of functions can define a logical, rational, and corporate response

Kind of leader

- Directive
- Authoritative
- Conservative
- Cautious
- Definitive
- Commanding
- Firm

Type of employees

- Employees benefit from security and predictability in working patterns
- Salary and career progression are predictable
- Power is based on position not personal expression
- Expert power is tolerated if in line with accepted position

Management style

- Downsizing/Rightsizing

- Time-based consumption
- Activity-Based management
- Balanced score-card

2.1.5 (iii) Task

Characteristics:

- This culture is about synergy
- Power and influence are distributed to the interstices of the net
- It fundamentally exists to ensure unity, close connection with the customer and intense dedication to the customer
- The culture is one of connection between people's experience and reality
- The culture is centred on unique customer goal attainment
- Team culture is flexible and adaptable

Ways of work

- It is a teams approach to organizations
- Also known as Network organization - small organizations co-operating together to deliver a project
- Or Matrix organizations which are project oriented with ever changing project or contract teams
- Working relationships are founded on capability rather than status
- Emphasis is on results and getting things done

Kind of Leader

- Team Builder
- First among equals
- Coach
- Participative
- Trust builder

- Integrator

Type of employee

- Close partnership with customers
- Empowered with discretion and control over their work
- Aspirations of the individual are integrated with the objectives of the organisation

Management style

- Team-based management
- Self-directed teams
- Participative management
- Management by consensus

2.1.5 (iv) Person

Characteristics:

- This culture is about distinction
- It exists to ensure the accomplishment of unparalleled, unmatched products or services
- Fundamental issue is the realization of conceptual goals, particularly superior, distinctive conceptual goals
- This culture is centred on conceptual goal attainment

Ways of work

- One of a kind offering, extremely unique
- Constant innovation to stay ahead

Kind of Leader

- Standard setter
- Conceptual visionary
- Taskmaster
- Assertive
- Convincing persuader
- Challenger of others

Type of employee

- Extremely unique
- Constantly innovative
- One who aims for distinction and excellence

Management style

- Entrepreneurial
- High output
- Best practices

2.2.0 Human Resource practices

Human resource management concerns the human side of management of enterprises and employee relations with firms. Its purpose is to ensure that the employees are engaged in such a way that the employer obtains the greatest possible benefit from their abilities and that the employees obtain both material and psychological rewards from their work (Graham & Bennet, 1998).

In today's reality we see the factors that define an organization's capabilities and disabilities evolve over time. They start in resources, then move to visible, articulated processes and values; and migrate finally to culture. To be successful today with value-creating endeavours requires a different sense of working together. It involves more than simply being a co-worker, it involves a shared vision that is mutually agreed upon and understood. It also assumes that people in the same organization share similar values and commitments toward mutually beneficial outcomes (Elash & Long, 2002).

An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. Human resource management (HRM) is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies.

According to Pfeffer (1998) there is evidence demonstrating that effectively managed people can produce substantially enhanced economic performance. Pfeffer extracted from various studies, related literature, and personal observation and experience a set of seven dimensions that seem to characterize most if not all of the systems producing profits through people. He named them the **seven practices of successful organizations** and they are:

- a) Employment security
- b) Selective hiring of new personnel

- c) Self-managed teams and decentralization of decision making as the basic principles of organizational design
- d) Comparatively high compensation contingent on organizational performance
- e) Extensive training
- f) Reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels.
- g) Extensive sharing of financial and performance information throughout the organization

For purposes of this study I will adopt these seven dimensions of the best HR Practices as detailed by Pfeffer (1998).

2.2.1 HR practices and Culture

Cultural variable that may influence HR practices can manifest at different levels. At the most basic level, organizational culture or the internal work culture operating within the organization, is construed as a pattern of shared managerial beliefs and assumptions (Schein, 1992) that influence HR practices. These managerial beliefs and assumptions relate to two fundamental organizational elements: the task and the employee. Managerial assumptions pertaining to the task deal with the nature of the task and how it can best be accomplished; those assumptions pertaining to the employee deal with employees' nature and

behaviour. Managers implement HR practices based on their assumptions about the nature of both the task and the employees (Aycan *et al*, 2000)

Deal & Kennedy (1982) states that “a strong culture is a powerful lever in guiding behaviour”(p15) and that companies that cultivate their cultures “have an edge”.

This edge is shown in terms of productivity.

Peters and Austin (1985) also state that “shared company values affect individual performance”(p 330) because shared values set a framework whereby employees can flexibly and speedily respond to new day to day situations, whereas rules and procedures can be a strait-jacket. They have suggested that leaders should spend more time coaching in these values rather than fixing employee errors. Similarly, Hickman and Silva on the first page of their book assert:

“a rational yet visionary blend of both [strategic planning and corporate-culture building] approaches for a winning, strategy-driven culture that can take you and your company into the twenty-first-century with the confidence that gets results” (Hickman and Silva, 1985)

We need cultures to give meaning to our lives at work. We need them to define and learn acceptable rules of behaviour. We need them to justify, or at least rationalize, hours spent on the job. Although the cultural cores of many organizations have been eroded by radical shifts in the environment or the actions of management, those that survive continue to perpetuate corporate and individual well-being. At their best, business cultures offer a positive force for the good (Deal & Kennedy, 2000).

Management researchers, Kotter and Heskett (1992) found that firms with “stronger” cultures (as measured by the extent to which employees share the value of the firm) tend to achieve higher performance. Ultimately, the employee behaviours produced by these systems become woven into the culture of the company. In that sense, a high-performance HR strategy is a leading indicator of a high performance culture. The seven best HR practices are reviewed below:

2.2.1 (i) Employment Security

Employment security is different from job security. Employment security is fundamental to the implementation of most other high-performance management practices, such as selective hiring, extensive training and development, information sharing, and delegation.

Employment security assumes flexibility and means that employees are not quickly laid-off for reasons such as economic downturns or the strategic mistakes of senior management, over which employees have no control. The policy focuses on maintaining total employment and not on protecting individuals from the consequences of their individual behaviour or incompetence on the job.

employment security maintained over time helps to build trust between people and their employer, which can lead to more cooperation, forbearance in pressing for wage increases, and better spirit in the organization (Pfeffer, 1998). People need some degree of job security because they plan their lives around assumptions related to continuing incomes (Deal & Kennedy, 2000)

2.2.1 (ii) Selective Hiring of new personnel

Firms need to build long-term commitment to retaining their work force. This can be achieved through more rigorous recruitment and selection and greater investment by firms in training and developing their work force. Employment security policies need to reflect more careful staff selection and leaner hiring. Leaner staffing can result in a more productive work force with fewer people doing the work with increased flexibility and employees working closer to the customer. People are often happy to be more productive if they know they have a secure long-term job with a career.

The notion of trying to find “good employees” is not very helpful, as organizations need to be as specific as possible about the precise attributes they are seeking. A great deal of research evidence shows that the degree of cultural fit and value congruence between job applicants and their organizations significantly predicts both subsequent turnover and job performance (Pfeffer, 1998). The values and beliefs that go towards forming the culture need to be reflected in the way the recruitment system works. For example, whether companies reply quickly and politely to all applications submitted say something about the company to the applicant. The style of advertising also gives messages about the organization (Kempton, 1995).

The Model of Culture Fit explains the way in which socio-cultural environment influences internal work culture and human resource management practices. The

police culture (bureaucratic culture) for example, is sustained through the way members are selected, trained, and accepted into the police ranks. Most police agencies require applicants to go through rigorous series of steps prior to being hired. It becomes clear that the selection process is the beginning of the police cultural assimilation. Persons who can demonstrate characteristics and traits like those possessed by the officers already on the force stand a greater chance of being hired (Harrison, 1998).

2.2.1 (iii) Self-managed teams and decentralization of decision-making

There is considerable literature providing case studies and empirical evidence that workers in self-managed teams enjoy greater autonomy, flexibility and discretion. Employees have more opportunity to use their wider skills. This translates into intrinsic rewards and job satisfaction resulting in teams out-performing traditionally supervised work groups.

Teams offer the following advantages (Pfeffer, 1998):

- 1) Teams substitute peer-based hierarchical control of work. Instead of management devoting time and energy to controlling the workforce directly, workers control themselves. Peer control is frequently more effective than hierarchical supervision because in team-based organizations, people feel more accountable and responsible for the operation and success of the enterprise, not just the people in senior management positions.

2) Teams permit employees to pool their ideas and to provide more creative solutions to problems. Workers are more likely to readily help one another and more freely share their production knowledge.

(iv) These “tricks of the trade” can be vital in any manufacturing process.

3) The use of self-managed teams produces savings in management overhead by eliminating layers of administration and even specialist staff providing that employees do not fear loss of their jobs and people who have had their jobs eliminated are redeployed to other tasks that add value to the organization.

In an environment where people truly participate, no control is needed. The more people devote themselves to the cause on a voluntary, willing basis, the fewer the hierarchies and control mechanisms needed (Kelleher, 1997).

Everyone in an organization should act, at times, from a leadership perspective; they should shoulder some responsibility for taking a leading role in enacting the strategic intent. The level of leadership responsibility will vary depending on one's position (Elash & Long, 2002).

On the other hand, as a result of big changes in business environment, distrust has replaced positive cohesion in many organizations. It is no longer safe to share your deepest thoughts with colleagues, it is no longer a good idea to express your

disagreements with management too forcefully as this could lead to dismissal (Deal & Kennedy, 2000).

2.2.1 (iv) High compensation contingent on organizational performance

The level of salaries sends a clear message to the firm's work force if they are regarded as truly valued and valuable to the organization. Compensation can take many forms such as pay increases, share ownership, stock options, profit sharing, paying for skills acquisition and individual or team incentives. If compensation takes the form of promotion, it should be based on skills and competencies and not on the position which the employee or manager occupies in the hierarchy.

When employees are owners, they are more inclined to act and think like owners. Ownership schemes without training, information sharing, and the delegation of responsibility will have little effect on performance because even if people are more motivated by their share ownership, they don't have the skills, information, or power to do anything with that motivation. Paying for skill acquisition encourages people to learn different jobs and thereby become more flexible. In principle, any compensation system should be aligned with organizational strategy (Pfeffer, 1998).

You can't have a culture of commitment and performance without equitable employee compensation, and that includes executive compensation (Kellerher, 1997).

2.2.1 (v) Extensive training and development

Training is an essential component of high-performance work systems because these systems rely on front-line employee skill and initiative to identify and resolve problems, to initiate changes in work methods, and to take responsibility for quality. This requires a motivated work force that has the knowledge and capability to perform the core tasks.

Knowledge and intellectual capital are becoming increasingly important if firms are to be successful in highly competitive global markets. A rough guide is that for every ten dollars of expenditure invested in new or updated technology; one dollar should be spent on training and development (Pfeffer, 1998).

The formal training at the police academy (Bureaucratic culture) helps to further the cultural assimilation into the way things are done. Most instructors are other police officers. (Drummond, 1976) Additionally, most of the courses tend to support the cultural notion of the dangerousness of police work. Skills such as firearms and defensive tactics are introduced to help the officers protect himself/herself (Harrison, 1998).

On the other hand, many executives who perceive a performance problem are disappointed when training and culture-building activities don't yield the quick fix they expected. They shuttle their employees to the nearest ropes course or to customer service training and can't understand why it doesn't make a difference.

The problem, according to Rick Auman, senior consultant with Corporate Management Developers, is that companies are just giving their employees “smile training”. Executives send workers off to learn new behaviours, but the employees return to an office culture that doesn’t support those new behaviours. “First the culture has to change”, says Auman. “Then you can teach the behaviours that will fit in with the culture (Duffy, 1999).

2.2.1 (vi) Reduced status distinctions and barriers

The fundamental principle of high-performance management systems is that organizations perform at a higher level when they are able to tap the ideas, skill and effort of all of their people. But neither individuals nor teams will be encouraged to contribute their minds and physical energy to the organization unless people receive signals that they are both valued and valuable.

In order to help make all organizational members feel important and committed to enhancing organizational operations, therefore, most high-commitment management systems attempt to reduce status distinctions that separate individuals and groups and cause some to feel less valued. This can be accomplished through the use of language and labels, physical space, and dress, and secondly by reducing the organization’s degree of wage inequality, particularly across levels (Pfeffer, 1998).

Workers, especially those struggling with flat or diminished personal earnings are not motivated to follow the leadership of greedy managers whose first priority is their own pockets (Deal & Kennedy, 2000).

As part of the flattening process, Axiom's organizational development group decided to abolish titles and rename all employees "associates". Trendy as this move might seem, Axiom's former midlevel managers did not receive it warmly. Titles had been the means of identifying an employee's level of experience (Duffy, 1999).

2.2.1 (vii) sharing of financial and performance information

The sharing of information on issues such as financial performance, strategy, and operational measures conveys to the organization's people that they are trusted. People who are motivated and trained cannot contribute to enhancing organizational performance if they don't have information on important dimensions of performance and, in addition, training on how to use and interpret that information.

Information sharing is not widespread in organizations because information is power, and sharing information diffuses that power. However, if people don't know what's going on and don't understand the basic principles and theory of the business, they cannot be expected to positively affect performance. Sharing information with employees, works councils and joint consultative committees

can assist with providing training in using the shared information to make better business decisions. This benefits both the organization and its people. Unions can play a positive and proactive role by “coalescing” the opinions of various work groups thereby representing “one voice” to management who would otherwise have to grapple with multiple opinions and interests of several diverse work groups (Pfeffer, 1998).

When John Mackey, CEO of Whole Food was asked why the firms shared all of its performance information with everyone, and even made it possible for each team member to know the salary of everyone else in the company by name, he replied that to keep secrets implied that the organization didn’t trust those from whom information was withheld. Knowledge is power, and sharing information entails sharing power. If information is the prime matter of the digital age, then the willingness to share it at all levels of an organization is essential for success. Access is key especially when speed is paramount (Kepner-Tregoe, 2001).

2.3 The Human Resource Scorecard (HR Scorecard)

Human capital has become the key element in creating and sustaining value in business. Yet there is no consensus blueprint for recognizing, developing, managing, or measuring this intangible asset. It is not enough for HR managers to be able to explain why and how they do what they do. For human resources to transform to a truly strategic role, HR professionals must be able to measure performance and to link HR’s contribution to the mission of the organization. The

HR Scorecard is a management system for filling the gap between what is usually measured in HR and what is actually essential to the firm. An HR Scorecard measurement system identifies in quantitative terms the gap between current and ideal HR architecture, and it provides data for either operational or strategic cost-benefit analysis. In order for us to compare the different organizational cultures, we will measure the same HR deliverables in each organization and thereafter assume that the differences in the results in the measurements, is related to the culture.

Since 1990, Becker and Huselid have conducted a biannual survey of HR management systems in the US. Publicly held companies, with sales greater than \$5 million and more than 100 employees. The data on HR systems are then matched with publicly available data on performance. The research program is on going and now includes more than 2,800 corporations. The results are based on 429 firms and are very robust and highly similar for 1992,1994,1996 and 1998. They have enabled the two authors to construct a HPWS index, as follows:

Table: 1 The HR Scorecard
Comparison of High and Low HR Management Quality

HR Practices	HR Index	HR Index
	(42 firms)	(43 firms)
Number of qualified applicants per position	8.24	36.55

Percentage hired based on a validated selection test	4.26	29.67
Percentage of jobs filled from within	34.90	61.46
Percentage in a formal HR plan including recruitment, development, and succession	4.79	46.72
Number of hours of training for new employees (less than 1 year)	35.02	116.87
Number of hours of training for experienced employees	13.40	72.00
Percentage of employees receiving a regular performance appraisal	41.31	95.17
Percentage of workforce whose merit increase or incentive pay is tied to performance	23.36	87.27
Percentage of workforce who received performance feedback from sources (360)	3.90	51.67
Target percentile for total compensation (market rate = 50%)	43.03	58.67
Percentage of the workforce eligible for incentive pay	27.83	83.56
Percentage of difference in incentive pay between a low-performing and high-performing employee	3.62	6.21
Percentage of the workforce routinely working in a self-managed, cross-functional or project team	10.64	42.28
Percentage of HR budget spent on outsourced activities (e.g., recruiting, benefits, payroll)	13.46	26.24
Number of employees per HR professional	253.88	139.51
Percentage of the eligible workforce covered by a union contract	30.00	8.98
HR Outcomes *		
Extent to which strategy is clearly articulated and well understood throughout the firm	3.40	4.21
Extent to which the average employee understands how his or her job contributes to the firms success	2.80	4.00
Extent to which senior management sees employees as a source of	3.31	4.21

value creation versus a cost to be minimized

3.02 4.33

Extent to which the executive leadership team is visionary

2.71 4.11

Extent to which the firm attempts to provide job security, even if confronted with declining financial performance

3.02 3.81

Extent to which the firm's decision-making style can be described as participative

3.76 4.56

Extent to which the firm's HR professionals are generally perceived to be administrative experts

3.69 4.40

Extent to which the firm's HR professionals are generally perceived to be employee champions

3.31 4.12

Extent to which the firm's HR professionals are generally perceived to be agents of change

3.19 4.30

Extent to which the firm's HR professionals are generally perceived to be business partners

2.45 3.65

Extent to which line managers generally believe that effective diversity management is a business imperative

2.99 4.05

Extent to which top management shows commitment to and leadership in knowledge sharing

3.38 4.63

Extent to which the firm has developed and communicated measures of financial performance

3.02 4.27

Extent to which the firm has developed and communicated measures of customer reactions

3.09 4.13

Extent to which the firm has developed and communicated measures of key business processes

2.26 3.12

Extent to which the firm has developed and communicated measures of measures of learning and growth

Firm Performance

Employee turnover	34.09	20.87
Sales per employee	\$158,101	\$617,576
Market value to book value	3.64	11.06

* Each of the variables in the "HR outcomes" section is scaled for 1 to 6, where 1 = "not at all" and 6 = "to a very great extent"

Source: Brain, E., Becker, Mark A. Huselid, and David Ulrich. (2001) *The HR Scorecard: Linking People, Strategy and Performance*, Harvard Business School Press, Boston Massachusetts.

The differences between these two groups of firms are very substantial, and these differences are not solely due to the firm size, industry, or age. Firms with high-performance work systems adopt HR management practices very different from those adopted by firms with low performance work systems: They devote considerably more resources to recruiting and selection, they train with greater vigour, they do a lot more performance management and tie compensation to it, they use teams to a much greater extent, they have roughly double the number of HR professionals per employee, and they are as much likely to be unionised.

For purposes of my study, I will compare low/high performance work systems resulting from HR practices adopted by different organizations to the organizational culture of that organization. The results should indicate which organizational culture typology encourages HR practices that result in either High or Low performance work systems.

Chapter Three

Research Design

The survey method was be used in this study.

3.1 Population

The population for this study consisted of manufacturing firms listed in the Kenya Association of Manufacturers Directory 2002 edition. The directory has 67 firms listed under the following categories:

- Agriculture - 5
- Building - 7
- Chemical & Allied - 4
- Engineering & Electrical - 7
- Food & Beverages - 7
- Medical & Hospital - 2
- Metal Working - 4
- Paper & Paper Board - 8
- Plastic & Rubber - 4
- Textiles - 6
- Timber & Wood Products - 3
- Miscellaneous - 10

Data was collected from all the 67 firms.

3.2 Data collection

This study will rely on primary data. The primary data will be collected through a structured questionnaire administered on a drop and pick basis, targeting the Human resource managers in the various manufacturing firms. The HR Managers are best placed to answer the questionnaire, as they know to what extent culture affects the performance of the workers.

The questionnaire has two sections: Part A will consist of culture related questions that will help us in identifying the particular culture that the firm practices. The respondents will be expected to give a "1" to the statement that best represents the dominant view in their firm, a "2" to the one closest to their firm's position, and so on through to "3" and "4". The four statements in each question are arranged in such a way that all 'a' statements represent a particular culture, 'b' another and so on. This in effect means that we will be able to know the dominant culture in a firm after adding up all 'a', 'b', 'c' and 'd'. If for example, 'c' is the dominant culture, the total points for all 'c' questions will be the lowest compared to the others as the respondent will have been giving the statement either a "1" or "2" as it would best represent the dominant view in their firm. This questionnaire is adopted from *Diagnosing Organization Ideology* by Roger Harrison (1972).

Part B will have questions on Human resource practices based on the seven dimensions as detailed page 38 (Pfeffer, 1998). The answers to the questions will be based on parameters given on the HR Scorecard on page 467(Becker *et al*,

2001) The respondent will be expected to state which answer is definitely true, mostly true, mostly false or definitely false.

3.3 Data analysis

Part A of the questionnaire will be analysed first to determine the dominant culture of the firm. After the respondents have ranked their answers 1-4, all “a”(power culture) will be totalled together and the same for “b”(role culture), “c”(task culture) and “d”(person culture). The lowest total will present the dominant culture. The Firms with the same culture will then be grouped together and the seven dimensions to HR practices analysed. If we are looking at training, for example, the findings in all firms in the same culture group will be averaged to determine if that culture encourages training practices that result in high or low performance work systems as recorded on the HR Scorecard.

3.4 Scope and Limitation of the research

Due to time and financial constrains, the study was limited to the manufacturing industry only. The ideal situation would have been to sample different working environments with obviously different work patterns and different organisational cultures. The study did not take into consideration other environmental factors that could impact on the relationship between Human resource practices and Organisational Culture.

Table 2: Matrix showing the key factors for the study

Comparison of High and Low Human Resource management quality				
	Power Culture	Role Culture	Task Culture	Person Culture
Employment security				
Selective Hiring				
Self-managed teams				
Compensation vs. performance				
Training				
Status distinctions				
Sharing of information				

Chapter Four

Data analysis and findings

4.1 Response Rate

The data was collected from a percentage of the 67 Kenyan manufacturing companies listed in the Kenya Association of Manufacturers Directory 2002. A 38% response was realised. Of this 4% were ineffective, leaving 34% for purposes of analysis.

4.1.1 Analysis by Culture

Questionnaire survey technique was used. One of the most widely used tools devised by Roger Harrison on culture was used and the aim was to divide the researched organisations into four cultural categories namely: power, role, task and person culture.

The analysis indicates that the dominant culture in the Kenyan manufacturing industry is the Task culture (69%) followed by the Role culture (26%) and then Person culture (5%). None of the manufacturing organizations that responded to our questionnaire practice the Power culture. Table 3 on page 56 has these details.

Table 3: Analysis of Organisational Culture

	Organisation	Power	Role	Task	Person
1	Ellams	34	18	20	28
2	Bio foods	26	19	22	33
3	Booth	30	21	22	27
4	Jambo	33	18	22	25
5	Nestle	27	21	24	28
6	Slumberland	36	20	21	23
7	Baumann	29	24	17	30
8	E A Cables	29	25	16	30
9	Eslon	29	26	17	28
10	Galaxy	36	21	14	28
11	General printers	33	24	16	27
12	Kalu works	37	26	16	21
13	Kens metal	32	20	18	24
14	Kenya coach	31	22	18	29
15	Mann	26	25	19	30
16	Pipes	37	30	16	18
17	Power technics	29	24	20	27
18	Synresins	25	30	17	28
19	Shamco	35	21	18	26
20	Sunflag	32	25	13	30
21	Tetra pak	26	21	17	36
22	Ultravetis	20	20	13	18
23	BOC gases	35	26	20	18

These are the results of Part A of the questionnaire on Culture. After the respondents had ranked their responses, 1-4, all "a"Power culture, "b"Role culture, "c"Task culture and "d" Person culture were totalled from all 10 questions to give the above results.

When a culture is ranked high, it will have the least total as the respondent will either rank it 1 or 2. The above recorded results have already be categorised according to the dominant culture. 6 organisations had Role culture, 16 Task culture and 1 Person culture.

Table 4: Analysis of HR practises

	Organization	Employment security		Selective Hiring		self-managed teams		compensation vs. performance		Training		Status distinctions		Sharing of information	
Role	1 Ellams	2.71	3.91	21.2	34.9	10.64	3.81	77.22	87.27	35.02	52.47	27.83	6.21	3.94	4
	2 Bio foods	4.11	4.21	21.2	43.75	10.64	3.55	77.22	87.27	89.59	32.94	27.83	6.21	4.21	3.6
	3 Booth	2.71	4.21	29.67	34.9	21.18	3.55	95.17	65.97	89.59	32.94	64.98	5.35	3.67	4
	4 Jambo	3.18	3.61	29.67	52.61	31.73	3.81	95.17	65.97	35.02	32.94	64.98	5.35	4.21	2.8
	5 Nestle	3.64	3.91	29.67	52.61	21.18	3.55	95.17	87.27	89.59	52.47	37.15	6.21	4.21	3.6
	6 Slumberland	3.64	3.91	29.67	52.61	10.64	3.55	95.17	87.27	89.59	72	83.56	3.62	4.21	3.6
Task	Average	3.33	3.96	26.85	45.23	17.67	3.64	89.19	80.17	71.4	45.96	51.06	5.49	4.08	3.6
	7 Baumann	4.11	3.91	29.67	43.75	21.18	3.55	77.22	87.27	116.87	32.94	37.15	6.21	4.21	3.6
	8 E A Cables	4.11	4.21	21.2	52.61	21.18	3.55	41.31	23.36	89.59	32.94	37.15	4.48	3.94	4
	9 Eslon	4.11	4.21	21.2	52.61	43.75	3.81	95.17	65.97	89.59	32.94	64.98	6.21	4.21	4
	10 Galaxy	4.11	3.91	21.2	52.61	21.18	3.55	59.27	23.36	62.31	32.94	64.98	5.35	3.94	3.2
	11 General printers	4.11	4.21	21.2	34.9	21.18	3.55	59.27	87.27	62.31	32.94	83.56	6.21	3.4	3.6
	12 Kalu works	3.64	4.21	21.2	52.61	21.18	3.81	95.17	87.27	89.59	32.94	64.98	6.21	3.94	3.6
	13 Kens metal	4.11	4.21	29.67	61.46	43.75	3.81	41.31	23.36	116.87	13.4	83.56	3.62	4.21	4
	14 Kenya coach	3.64	3.91	29.67	34.9	31.73	3.28	59.27	44.67	89.59	32.94	64.98	4.48	4.21	3.6
	15 Mann	3.64	3.91	21.2	34.9	21.8	3.55	59.27	44.67	62.31	72	83.56	5.35	4.21	4
	16 Pipes	4.11	4.21	29.67	61.46	10.64	3.55	77.22	65.97	89.59	32.94	37.15	5.35	4.21	4
	17 Power technics	4.11	3.91	29.67	34.9	21.18	3.55	77.22	65.97	116.87	32.94	83.56	6.21	4.21	3.6
	18 Synresins	3.64	4.21	29.67	34.9	52.61	3.81	77.22	65.97	62.31	13.4	83.56	6.21	4.21	4
	19 Shamco	4.11	4.21	29.67	34.9	42.28	3.81	95.17	87.27	11.87	72	83.56	3.62	4.21	4
	20 Sunflag	3.64	3.91	12.73	52.61	42.28	3.28	59.27	23.36	89.59	13.4	83.56	5.35	3.4	2.8
	21 Tetra pak	3.64	3.91	21.2	43.754	31.73	3.28	59.27	44.67	62.31	52.47	37.15	4.48	3.94	3.6

22	Ultravetis	3.64	3.91	29.67	52.61	21.18	3.55	77.22	44.67	62.31	52.47	37.15	4.48	3.67	4
	Average	3.31	4.06	24.91	45.97	29.3	3.58	69.37	55.32	79.62	36.6	64.41	5.24	4.01	3.73
Person 23	BOC gases	4.11	4.21	21.2	52.61	10.64	3.81	95.17	87.27	116.87	72	37.15	5.35	4.21	4

The HR practices analyzed on this table are employment security, selective hiring, self-managed teams, compensation and performance, training, status distinctions and sharing of information. Part B of the questionnaire had 14 questions, 2 for each HR practice. The respondent was required to indicate if the statement on a particular HR practice is definitely true, mostly true, mostly false or definitely false. The researcher then converted these responses to figures based on the HR scorecard developed by Becker, Huselid & Ulrich (2001).

Organizations with the same culture were grouped together and HR practices, findings averaged

The researcher asked some managers to comment on the findings and these were some of the answers based on 15% of the respondents.

- Due to the current economic situation of the country, the organisations in the manufacturing industry have suffered greatly in the last 10 years. Their first reaction was to downsize and this was done at the beginning of the recession. The culture in the organisations changed to accommodate the changes and to improve productivity. The workers in these organisations realised the need to put emphasis on results and getting things done other than on self.
- Competition in the manufacturing sector is very stiff and this has changed the management style from what it was to a more participative kind of management. Workers as well as managers need to know the prevailing conditions so that all together, each and every person can make a special effort to improve performance and more importantly increase overall sales.

4.1.2 HR practices analysis

Table 4 on page 57 gives a detailed analysis of the organizations HR practices vis-à-vis their culture. Pfeffer (1998) extracted from various studies and experience seven dimensions that constitute the best HR practices that lead organizations to high levels of profitability. These seven practices, namely: employment security, selective hiring, self-managed teams, compensations verses performance, training,

status distinction and sharing of information, were studied in the Kenyan manufacturing companies and the results analysed against a HR Scorecard developed by Becker, Huselid and Ulrich (2001). In the present study, Organizations with the same culture were grouped together and the HR practices' findings averaged to creation of clusters of companies with similar dominant cultures.

The Power culture was not dominant in any of the firms studied. Table 5 below summarizes the findings on HR practices and the related cultures. The findings indicate that there is a relationship between organisational culture and Human resource practices in the manufacturing industry. Task and Person cultures have high employment security while Role culture has medium. The Role and Person cultures on the other hand have low management quality on self-managed teams while Task culture has high management quality on the same.

Table 5: Organizational Cultures and related levels of HR Practices				
	Power Culture	Role Culture	Task Culture	Person Culture
Employment security	XXXX	Medium	High	High
Selective Hiring	XXXX	High	High	High
Self-managed teams	XXXX	Low	High	Low
Compensation vs. performance	XXXX	High	Medium	High
Training	XXXX	Medium	Medium	High
Status distinctions	XXXX	Medium	Medium	Low
Sharing of information	XXXX	High	High	High

All three cultures encourage high levels of information sharing and selective hiring. Compensation resulting from performance is lower in Task culture than in both Role and Person culture. Status distinctions are medium in Role and Task cultures and low in Person culture. Training is medium in Role and Task cultures and high in Person culture.

The Power culture was not dominant in any of the firms studied.

Chapter Five

Discussion, Conclusions and Recommendations

5.1 Discussion

The objective of this study was to find out if differences in Human resource practices among organisations are related to differences in their Organisational Cultures.

Before commencing on the study, we were in agreement with Deal & Kennedy (2000) that we need cultures to give meaning to our lives at work, to define and learn acceptable rules of behaviour, and to justify and at least rationalize hours spent on the job. What the study needed to find out is if the differences in the HR practices are related to differences in organizational cultures and vice versa.

The research revealed that there is a dominant culture in the manufacturing industry, namely the task culture and that this culture, unlike the others, encouraged self-managed teams. This, one manager explained, was as a result of the current hard economic situation that has forced workers to realise the need to put emphasis on results and getting things done other than on self. The use of self-managed teams produces savings in management overhead by eliminating layers of administration and even specialist staff provided that employees do not fear loss of their jobs and people who have had their jobs eliminated are redeployed to other tasks that add value to the organization (Pfeffer, 1998).

The dominance of Task culture in the Kenyan manufacturing sector is not surprising as this culture encourages high levels of employment security, selective hiring, self-managed teams and sharing of information. Employment security maintained over time helps to build trust between people and their employer and this can lead to more cooperation, forbearance in pressing for wage increases, and better spirit in the organization (Pfeffer, 1998).

The explanation given by some manager on the results of the study are consistent with the findings of previous studies. Manufacturing firms in Kenya adopted their current culture to survive the hard economic times. Their first reaction ten years ago was to down size and to restructure. With time the culture has become more flexible and adaptable to the environment and has a more productive workforce.

From the Integrated Model of Organizational Culture Typologies based on typologies by Schneider (1994), Handy (1985) and Quinn & McGrath (1985), the Task culture:

1. is flexible, adaptable and sensitive to the environment
2. has its emphasis on client responsiveness
3. empowers its workers and has its main focus on team composition and working relationships that are founded on capability rather than status
4. workers achieve synergy to harness creativity, problem solving and thus gain efficiency

Managers in Organizations must realize that culture is so powerful that its impact supersedes all other factors. Culture is the organization's way, identity, pattern of dynamic relationships and has everything to do with implementation and how success is actually achieved. No management idea, no matter how good, will work in practice if it does not fit the culture (Kotter & Heskett, 1992).

5.2 Conclusions

The findings have shown that there is a relationship between organisational culture and Human resource practices. The findings further indicate that some cultures promote high quality Human resource management practices, while others promote medium or low practices. The study also indicated that the manufacturing industry has a dominant culture namely the Task Culture, which has either high or medium HR management practices. No organization practicing this culture has low quality HR practices.

The dominant culture, the Task culture, promotes teamwork, offers reasonable employment security, encourages sharing of information and promotes workers from within. The Role culture and the Person culture on the other hand, do not routinely work in self-managed teams. A Person culture develops when a group of professionals decide to organise their way of work on a collective rather than on an individual basis. This is often the case with doctors, lawyers or architects. Very few organizations practice the Person culture.

In the Task culture, unlike in Role and Person culture, merit pay is not determined by formal performance appraisal. According to one of the managers we talked to for comments, merit pay is determined by the overall performance of the organisation.

The study had several limitations, namely:

All the cultures facilitate a very careful staff selection and encourage recruitment from within.

It was however surprising that no organization in the Kenyan manufacturing sector practiced the Power culture.

5.3 Recommendations

The results of the research have indicated that some cultures are more dominant in certain working environments than in others. For a researcher to achieve more accurate results on the relationship between culture and HR practices, it would be necessary to research on other sectors like the government agencies, the agricultural sector, consultancies to mention but a few, for a wider variety of responses.

Managers should take time to understand the culture in their organizations and how it impacts on their human resources and more importantly, their overall performance. As organizations change to adapt to environmental changes,

Managers must realise that they can't afford to ignore their organizational culture when making strategic decisions.

5.4 Limitations of the study

The study had several limitations, namely:

- i. The study focussed on the Kenyan Manufacturing sector. This means that the findings are not applicable to other sectors unless further research is conducted in the other sectors.
- ii. The study did not consider other environmental factors that could impact on the relationship between organizational culture and HR practices, such as new technology or politics.
- iii. Response rate was 38%. A better response rate would have garnered more accurate findings.

5.5 Suggestions for further Research

- i. Find out if the size of the organisation (staff) affects the relationship between Organisational Culture and HR practices.
- ii. Determine the link between Organisational Culture, HR practices and performance.

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Appendixes

Appendix I: A letter of Introduction by the student

10th August 2002

P O Box 34109, Nairobi.
Tel: 2714255/6 (morning)
Cell: 0722394487

Ms. XXXXXXX
Human Resource Manager
XXXXX Ltd
P.O Box XXXXX
Nairobi

Dear Madam,

RE: Culture/Human resource practices questionnaire

The time has come for me to collect data and this is good as it means that I am approaching the end of my masters program. It is actually the climax of the program as it gives every student an opportunity to interact with the outside world and more specifically for me, the manufacturing industry.

The aim of the study is to find out if differences in human resource practices, are related to the differences in the culture of the organization.

The attached questionnaire has been designed to first identify the prevailing culture in your organization and secondly to rate the performance of your human resource practices vis-à-vis the culture.

Please let me know if you would be interested in the findings, as, I am willing to share the same with you.

Thanking you in advance for your cooperation.

Yours Sincerely

Wamuyu Mahinda
MBA Student, UON.

Appendix 2: A letter of Introduction from the MBA coordinator



UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA PROGRAMME - LOWER KABETE CAMPUS

Telephone: 732160 Ext. 208
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

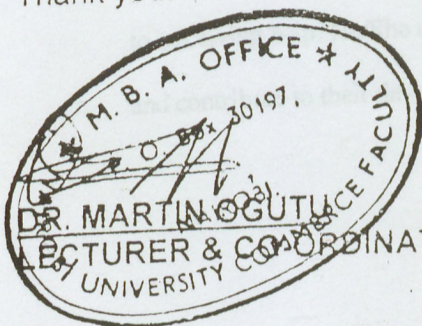
DATE: 19th August 2002

TO WHOM IT MAY CONCERN

The bearer of this letter: Wamuyu Wainide
Registration No: 0161/P/8462/98
is a Master of Business & Administration student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on some management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

Thank you.



MO/ek

Appendix 3: Questionnaire

Section A

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 organization's 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 system.
- ☐ c. egalitarian and capable of being influenced in matters concerning the task. He/She uses his/her authority to obtain the resource needed to complete the job.
- ☐ d. concerned with and responsive to the personal 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, hardworking, 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 to 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. 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 strong commitment to getting the job done.
- ☐ d. effective and competent in personal relationship, with a strong commitment to the growth and development of people.

4. 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.

5. 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 requirement leading to appropriate action motivated by personal commitment to goal achievement.
- ☐ d. intrinsic interest and enjoyment to be found in their activities and/or by concern and caring for the needs of the other persons involved.

6. 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/she 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.

Section 2
Tick one answer that best represents your organization.

7. 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 requirement of the job to be done.
___d. personal wishes and needs for learning and growth of individual organization members.

8. Work is performed out of:

- ___a. hope of reward, fear of punishment, or personal loyalty towards 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 for its own sake and concern and respect for the needs and values of the other persons involved.

9. The purpose of competition is to:

- ___a. gain personal power and advantage.
___b. gain high-status position in the formal system.
___c. increase the excellence of the contribution to the task.
___d. draw attention to one's own personal needs.

10. 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.

Section B

Tick one answer that best represents your organization.

	Definitely true	Mostly true	Mostly false	Definitely false
1 The firm I work for attempts to provide job security, even if confronted with declining financial performance.	☐	☐	☐	☐
2 Senior management see employees as a source of value creation other than a cost to be minimized.	☐	☐	☐	☐
3 All new hires are selected based primarily on validated selection methods.	☐	☐	☐	☐
4 In our firm, all positions that fall vacant are filled from within.	☐	☐	☐	☐
5 A small percentage of the workforce routinely work in a self-managed, cross-functional, or project team.	☐	☐	☐	☐
6 To a large extent, our firm's decision-making style can be described as participative.	☐	☐	☐	☐
7 Over 50 percent of the workforce is regularly assessed via a formal performance appraisal.	☐	☐	☐	☐
8 A large proportion of merit pay is determined by a formal performance appraisal.	☐	☐	☐	☐
9 Our firm allocates many hours of training for new employees in the first year.	☐	☐	☐	☐
10 Our experienced employees receive very few hours of training per year.	☐	☐	☐	☐
11 A small percentage of the workforce is eligible for incentive pay.	☐	☐	☐	☐

	DT	MT	MF	DF
12 There is an obvious difference in incentive pay between a low-performing and high performing employee.	☐	☐	☐	☐
13 The top management has not shown commitment to and leadership in knowledge sharing.	☐	☐	☐	☐
14 The firm has made an effort to develop and communicate measures of financial performance.	☐	☐	☐	☐

- Baumann Engineering Ltd
- Bayer East Africa Ltd
- Bio Food products Ltd
- BOC Kenya Ltd
- Coca-cola Africa Ltd
- Cooper Kenya Ltd
- Corrugated Sheets Ltd
- Cosmo Plastics Ltd
- Creative Manufacturing Ltd
- Chiron Berger Kenya Ltd
- Doshi Enterprises Ltd
- East Africa Cable Ltd
- Economic Housing Group
- Ellens Products Ltd
- Elys Chemical Industries
- Esion Plastics Ltd
- Firestone E.A.(1969) Ltd
- Galaxy Paint & Coating Company Ltd
- General Printer Ltd
- Glaxo SmithKline Ltd
- Janbo Discs (K) Ltd
- Kahi Works Ltd
- Karsten Industries Ltd
- Kens Metal Industries Ltd
- Kentainers Ltd
- Kenya Builders Concrete Co Ltd
- Kenya Coach Industries Ltd
- Kenya Stationers Ltd
- Lansons Industries Ltd
- Mabati Rolling Mills Ltd
- Manchester Outfitters Ltd
- Mann Manufacturers Ltd
- Manson Hart (K) Ltd

Appendix 4: List of Sample Kenyan Manufacturing companies

Alvik Joinex
Approtech
Asea Brown Boveri Ltd
Basco Paints Ltd
Baumann Engineering Ltd
Bayer East Africa Ltd
Bio Food products Ltd
BOC Kenya Ltd
Coca-cola Africa Ltd
Cooper Kenya Ltd
Corrugated Sheets Ltd
Cosmo Plastics Ltd
Creative Manufacturing Ltd
Crown Berger Kenya Ltd
Doshi Enterprises Ltd
East Africa Cable Ltd
Economic Housing Group
Ellams Products Ltd
Elys Chemical Industries
Eslon Plastics Ltd
Firestone E.A(1969) Ltd
Galaxy Paint & Coating Company Ltd
General Printer Ltd
Glaxo Smithkline Ltd
Jambo Biscuits (K) Ltd
Kalu Works Ltd
Karatasi Industries Ltd
Kens Metal Industries Ltd
Kentainers Ltd
Kenya Builders Concrete Co Ltd
Kenya Coach Industries Ltd
Kenya Stationers Ltd
Lamsons Industries Ltd
Mabati Rolling Mills Ltd
Manchester Outfitters Ltd
Mann Manufacturers Ltd
Manson Hart (K) Ltd

Mega Spin Ltd
Metal Crowns Ltd
Metlex Industries Ltd
Nairobi Flour Mills Ltd
Nas Airport Services Ltd
Nestle Foods Kenya Ltd
Olympic Manufacturing Ltd
Palmac Oil Refinery Ltd
Pan African Paper Mills (EA) Ltd
Plastics & Rubber Industries Ltd
Power Technics Ltd
Prudential Printer Ltd
Rainbow Manufacturing Ltd
Rolmil Kenya Ltd
Sara Lee Household and Body Care Kenya Ltd
Saroc Ltd
Shamco Industries Ltd
Slumberland Kenya Ltd
Spin Knit Ltd
Stamet Products Ltd
Sunflag Textile & Knitwear Mills Ltd
Synresins Ltd
Thika Cloth Mills Ltd
Timwood Products Ltd
Twiga Chemical Industries Ltd
Ultravetis East Africa Ltd
Unga Feeds Ltd
United Bags Manufacturing Ltd
Wire products Ltd