Culture as a Catalyst for Organizational Transformation and Integration in the Nigerian Banking Sector

Chief Peter Odion Omoijiade[1]

BSC (Hons) Bus. Admin, MSCMC, MBF, ACIB, ACIPMN, MIMC, MNIM

Correspondence: ABI Alchemy Business Intelligence, 65, Kudirat Abiola Way, Oregun, Ikeja, Lagos, Nigeria.

Email: pomoijiade@yahoo.co.uk, pomoijiade@gmail.com

Abstract

In the emerging global market place, National and Organizational Culture are acknowledged as catalyst for organizational transformation and integration. However, as a result of low cultural intelligence, these key imperatives are alien in the Nigerian banking sector. The present development constitutes a disadvantage for corporate performance. In my examination of National and Organizational culture in the Nigerian banking sector, a convergence between national and organizational culture is discernable. The inability of managers and change agents to innovate with a view to achieving the objective of change management and business integration is strongly rooted in the prevailing low cultural intelligence. To enhance corporate performance, the mitigation of the present low cultural intelligence is indicated. The mitigation of the high uncertainty avoidance, high power distance and job oriented culture will impacts positively on the innovative capacity of banks with a view to gaining sustainable competitive advantage. The data analysis for the purpose of explication of understanding of the theme of this research was done by critical analysis of literature and dialectic reflection about my understanding of it. In this study, observations were also utilized because they are believed to be effective for collecting data in studies where the phenomenon is hidden from public view. This study is expected to act as an enabler of cultural intelligence in the face of increasing difficulty in the global market place where constant change and innovation are required for corporate performance.

Key words: National Culture, Organizational Culture, Convergence of National and Organizational cultures, cultural intelligence, change agents, Catalyst for organizational transformation, Business integration, Sustainable Competitive advantage

1.0 Introduction

The motivation for this study, stems largely from the prevailing low level of cultural intelligence in the Nigerian banking sector. As started by Early and Mosakowski (2004), low culture intelligence constitutes an inherent disadvantage. The study of culture – national, regional, and organizational, continues to receive attention from managers and scholars alike. The continuous growth in the global nature of business serves as one of the main catalysts for the renewed interest in the study of culture. There is the realization that culture affects the behavior and success of individuals, teams and organizations. Managing organizational culture is emerging as one of the key managerial challenges of the 21st Century. (Shani & Lau, 2005).

As a result of low cultural intelligence in business transformation and turnarounds, the position of organizational culture audit is misunderstood and therefore transmogrified. In force-field analysis, which is an integral part of corporate strategy implementation, organizational culture variable is excluded. The consultants battle against organizational culture tides and attempt total annihilation of old cultures through deliberate elimination of old employees. As a result of this phenomenon, the interventions of some consultants in some institutions often end in failure. In view of this challenge, this study will examine the concept of culture as a catalyst for organizational transformation and integration. The crucial question to be examined in this study is outlined below:

(i) To what extent is the performance of banks in Nigeria, constrained by some elements of National and Organizational Culture?

---

[1] 1.   Chief Peter Odion Omoijiade is the President/Executive Consultant of ABI Alchemy Business Intelligence

1.1 Methodology

This research is based on existing theoretical and practical knowledge on National and Organizational culture. Data was collected from the literature on these concepts by means of critical analysis of the literature. Data analysis for purposes of explication of understanding was done by critical analysis of literature and through dialectic reflection about my understanding of it. In this study, observations were also utilized because they are believed to be effective for collecting data in studies where the phenomenon is hidden from public view (Jorgensen, 1989). The importance of observation and its link to validity was summarized by (Gillham 2000:46) when he stated that "The overpowering validity of observation is that it is the most direct way of obtaining data. It is not what people have written on the topic. It is not what they say they do. It is what they actually do". This provided the insight into what people 'actually do', or for my case, 'actually talk about' in certain settings (Griffins, 1985).

2.0 Literature Review

Culture is an abstract concept for categorizing similarities and differences between groups of people (Matsumato, 1996). When differences are observed between groups, culture as a multifaceted construct with both subjective, psychological, objective and social element is invoked (Matsumato, Kudoh & Takevchi, 1996). As argued by Matsumato, Kudoh & Takexchi (1996), the observed differences between groups on a given construct, serves as a macro-social construct that provides a framework within which similarities and differences are promulgated. In this fashion, culture shares a reciprocal and integral relationship with ways of living. According to Matsumato, Kudoh, and Takevchi (1996), culture in the broadest sense, encompasses values, attitudes, tradition, custom, heritage and history, learned patterns of action/inaction, behaviours, child rearing practices, marriage, mate selection, customs and death rituals, race, ethnicity, social institutions and architecture. Culture in general has been defined as "the collective programming of the mind which distinguishes the members of the group or category of people from another" (Hofstede, 1991:5, 1998:8). Hofstede, stated further that culture as collective programming of the mind, manifests itself in several ways; namely, symbols, heroes, rituals and values. The four variables together cover the total concepts of culture. Symbols are words, gesture, pictures, or objects which carry a particular meaning only recognized by those who share the culture. Heroes are persons, alive or dead, real or imaginary, who possess characteristics which are highly prized in a culture, and thus serve as model for behavior. Rituals are collective activities, technically superfluous for reaching desired ends, but which within a culture are considered as socially essential. The ways of greeting and paying respect to others, social and religious ceremonies are examples. Business and political meetings organized for seemingly rational reasons often serve only ritual purposes, like allowing the leaders to assert themselves. Hofstede maintain that while symbols, heroes and rituals are labeled as practices, the core of culture is formed by values, which are broad tendencies towards certain states of affairs over others. For example, evil vs good, immoral vs moral.

2.1 The Consequences of the Differences in National Culture on Organizational Culture

The most comprehensive study on national culture is the work by Hofstede (1980), where he stated the four dimensions of culture as power distance, individualism, masculinity and uncertainty avoidance. The Confucian dynamism was later identified as the fifth dimension (Hofstede & Bond, 1988)

2.2 Power Distance

This dimension reflects the extents or degree to which the less powerful members of the organizations and institutions accept and expect that power is distributed unequally. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders (Hofstede, 1980). Hofstede found that the acceptance of the equality or inequality of power distribution in the workplace is strongly affected by the previous experiences of people in their family; and expectation and fears about the boss are projections of the experiences with the father – or mother – and the teachers. Hofstede posits that in order to understand superiors, colleagues, and subordinates in another country, we should know something about families and schools in that country.

Table 1: Consequence at the Work Place of Differences in national Culture.

Small Power Distance Societies	Large Power Distance Societies
Hierarchy means an inequality of roles established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Ideal boss is resourceful democrat	Ideal boss is benevolent autocrat.
Collective Societies	**Individualist Societies**
Value standards differ for in-group and out-group: particularism	Small value standards apply to all: universalism
Other people are seen as members of their group	Other people seen as potential resources
Relationship prevails over task	Task prevails over relationship
Moral model of employer-employee relationship	Calculative model of employer-employee relationship
Feminine Societies	**Masculine Societies**
Assertiveness ridiculed	Assertiveness appreciated
Undersell yourself	Oversell yourself
Stress on life quality	Stress on careers
Intuition	Decisiveness
Weak Uncertainty Avoidance Societies	**Strong Uncertainty Avoidance Societies**
Dislike of rules written or unwritten	Emotional need for rules written or unwritten
Less formalization and standardization	More formalization and standardization
Tolerance of deviant persons and ideas	Intolerance of deviant persons and ideas

Adapted from: Hofstede, G (1998): "Think Locally, Act Globally: Culture Constraints in Personnel Management" Management International Review Vol. 38(2), P. 12

As shown in Table 1, in lower power distance communities, power is shared more equally among their members, decision making process is decentralized and superiors and subordinates are allowed to consider each other as equals (Jones & Davies, 2006). A less negative attitude towards authoritarian leadership will likely be found in high power distance societies. In such societies, dominance and ostentatious displays of power might be appropriate for leaders (Den Hartog, D.N et al 1999:15).

2.3 Individualism

In this dimension, individualism is the opposite of collectivism. On the individualist side, their exist societies with loose ties with individuals. Every individual is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohensive in groups, often extended families (with uncles, aunts, and grand-parents). The subjects are given protection in exchange for loyalty (Hofstede, 1980, Hofstede, 1998). While Hofstede (1998:11) posits that the word collectivism within the context of his study has no political meaning, as it refers to group and not state, he however maintained that the concept in the dimension is an "extremely fundamental one, regarding all societies in the world". Matsumoto, Kudoh & Takevchi 1996:77-104) examined individualism and collectivism dimension in Japan and America along family, church and community lines. Matsumoto, Kudoh & Takevchi, found that American culture, in its historical roots, characterized not so much by complete individualism across all facets of life, but rather by a conceptualized individualism tempered by collectivistic concerns for some important collectives (although the type of collectivism itself may have been individualized). Triandis (1994) asserts that Japanese culture, has typically been characterized as collectivistic. Triandis attributes the relative lack of natural resources and the guest for survival as motivators of collectivistic patterns of behavior. As argued by Triands, high population density, coupled with limited natural resources, influence of wars may have institutionalized collectivistic concerns on the part of the Japanese culture. According to Matsumoto et al (1996), the people in Japan took advantage of the power of collectivism and channeled their energies into selfless work for common good. Through years of individual sacrifice and social commitment, the Japanese built a society that became one of the world's greatest economies. The Japanese work ethic formed the basis of a cultural rubric that focused on individual sacrifice and social obligations. This rubric is based on a standard of group cohesion and harmony, and obedience to elders and higher status. Collectivism formed not only a pervasive cultural framework; it is also the basis of their morality.

Spalding (2000), in her study examined the individualism and collectivism dimension among the Hausa, Ibo and Yoruba communities in Nigeria. She found that an Ibo is a member of a village and several lineage groups, which contribute to his or her identity and provide resources for meeting aspirations, through the assistance of relations who have achieved success. There is a strong community spirit which requires members of the community to participate in its improvement, wherever they live, and to help others from their village or lineage to 'get ahead'. As argued by Spalding, assistance is an essential part of leadership, and contributes to the respect and following an individual commands. Networks are based on relationships, social life structure and opportunities for advancement. In general, family and village are the basis of the complex social and economic network, but do not determine them. Relationships tend to be voluntary, based on mutual assistance and obligation. The pursuit of individual ambition and equal opportunity for achievement place the Ibo firmly within the individualist category.

In Yoruba communities, Spalding, found that because social relations provided access to productive resources and status, people invest in consumption to support relations, including relations' school fees, lavish ceremonies, maintenance of dependents and building homes in villages of origin. These investments are socially rather than economically productive. As argued by Spalding, social relations among the Yoruba is a response to the strains which dynamic migration patterns placed on traditional patterns of relations. Ethnic associations in cities replaced strong rural communities, and identification as a member of a group (town, village, and clan) continued to provide security, protection, and sense of belonging to migrants in urban areas. Migration also broadened freedom to build networks of relationships based on interests and circumstances, rather than on kinship ties, since cities provided more opportunities for interest based networking. In cities, networks are especially developed in response to the strains which dynamic migration patterns placed on traditional patterns of relations. Ethnic associations in cities replaced strong rural communities, and identification as a member of a group (town, village and clan) continued to provide security, protection, and sense of belonging to migrants in urban areas. Migrations also broadened freedom to build networks of relationships based on interest and circumstances, rather than on kinship ties, since cities provide more opportunities for interest based networking. In cities, networks are especially important, and family ties are only one of many kinds of relationships. Thus, people have more freedom to decide how close relations with kin will be. There are obligations to help the home village and relations but these are not absolute, and individuals may choose how they will fulfill them. Generally, family and other groups ties are loose and negotiable. Business success is based on the development of mutually beneficial networks, which are fluid, based on relationships of patronage and reciprocal obligation. The development of fluid, ego – centered networks is a defining characteristic of the individualism of the Yorubas.

The Hausa society traditionally revolves around lineage groups', language and religion. The residences are all shared. Strong family relations determine status, opportunities and acceptable behavior. Group identification is strengthened by Fulani sense of superiority, Hausa ethnic cohesion and Islam's role as a mark for social cohesion and a code of personal conduct (Miles & Rochefort, 1991). The leaders in Hausa communities are in a better position to give an order to followers without any resistance as a result of prevailing collectivism. In line with the collectivistic nature of the Hausa, their leaders have encouraged separation from outsiders, including mandated 'strangers' quarters' (ghettos) within Northern town and cities. Across Nigeria, Hausa generally do not mix with other groups through intermarriage or residential integration. (Spalding, 2000).

2.4 Masculinity versus Femininity

Hofstede studies revealed that men's values are not the same with women. Men's values from one country to another contain a dimension from very assertive and competitive to modest and caring. The women in femine countries have the same modest, caring values as the men; in the masculine countries they are to a large extent, assertive and competitive. Cartwright (1999) however posits, that rather than putting societies in masculinity and femininity compartment, masculine and feminine values should be harmonized with a view to producing a holistic management. While the finding of Hofstede remain valid, Cartwright appears more commodious in view of the compatibility of his position with practical application of culture. In Nigeria, the Hausa, Ibo and Yoruba communities are masculine. For example the right of women to inheritance is seriously curtailed in Ibo land. In some Southern states like Edo, and some other Southern states in Nigeria it is not uncommon for women to be subjected to a dehumanization treatments to ascertain if she is responsible for the husband's death. On the other hand, the husband is excluded from such a treatment whenever the wife is dead. The chieftaincy stools in Nigeria are predominantly occupied by men and not women. The Oba of Benin, the Obi in Ibo land, the Oba of Lagos, the Emirs in Hausa land are all men.

The Nigerian banking sector is masculine oriented. The assertive positions of the Managing Directors and Chief Executives of Banks are still being retained by men. As reported by Nigeria Deposited Insurance Corporation

(2003), out of the 89 banks in Nigeria as at 2003, while 86 of the managing directors and chief executive officers were men, while only 3 were women. The women are consigned to the less assertive roles. As stated by Cartwright (1999) this is consistent with the practice in traditional male dominated organizations where there is bias among male managers against female.

2.5 Uncertainty Avoidance (UA)

This deals with a society's tolerance for uncertainty and ambiguity. It indicates to what extent culture programs its members to feel uncomfortable or comfortable in unstructured situation (Hofstede, 1998). Countries exhibiting high UA, maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. Low UA societies maintain a more relaxed attitude in which practice counts more than principles and deviance from the norm is more easily tolerated. Hofstede argued that uncertainty avoidance has implications for the ways countries build their institutions and organizations. According to him, in high UA cultures there is an emotional need for rules (even if the rules never works) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation. In societies exhibiting low UA, people believe there should be no more rules than are necessary and if they don't work they should be dropped or changed, time is seen as a framework for orientation, hard work is undertaken when needed but not for its own sake, precision and punctuality do not come naturally, innovation is not seen as threatening (Shaughnessy, 1994).

2.6 Long Term versus Short Term Orientation

This fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese Scholars (Hofstede & Bond, 1988). The dimension deal with virtue regardless of truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orietation are respect for tradition, fulfilling social obligations, and protecting one's face. Hofstede & Bond, correlated long term orientation with national economic growth, showing that what led to the economic success of the East – Asia economies is their populations cultural stress on the future – oriented values of thrift and perseverance. Both the positively and the negatively rated values are found in the teachings Confucius, the most influential Chinese philosopher who lived around 500BC; however, the dimension also applies to countries without a Confucian heritage (Hofstede, 1998). Hofstede and Bond found that a long-term orientation is mostly found in East Asia countries, in particular in China, Hong Kong, Taiwan, Japan, and South Korea. Other parameters could be used to establish whether a particular society is long term or short term oriented, apart from the national economic growth model. Nigerians investment in Treasury Bills, a short term instrument is higher than investment in development stock, a long term instrument (Central Bank of Nigeria, 2003). Nigeria investors are therefore short term oriented. In a society like Nigeria where the people are fighting for the attainment of the lower level needs, short term orientation is expected to be dominant. This assertion is further strengthened by an earlier study by Spadling (2000), who found that the Yoruba take pride in organizing lavish parties and building houses that have no economic significance in their villages, while the Ibos help their relations to enable them stand on their own. These values are not compatible with thrift, which is an important element in a society with long term orientation. Although Shaughnessy (1994), asserts that the long term and short term dimension model cannot be used to identify or describe the behavior of individuals, as it only identifies central tendencies in societies, his position appear weak since societies cannot exist without individuals. It is difficult to successfully discuss thrift and perseverance which are values associated with long term – short term orientation in isolation of individuals. What is obvious generally is that during period of economic decline, the people are short term oriented towards. The struggle towards the attainment of the lower level needs is responsible for this. It is expedient for the people to be concerned about the short run, because in the long run we are all dead.

The present overview and broad definition of culture will assist in giving meaning and an understanding to organizational culture, which will be examined in the next section.

3.0 An Overview of Organizational Culture

The idea of organizational culture first began to enter management literature between 1970 and 1980 as Americanization of the Japanese Total Quality production and quality control systems. Its introduction to British management between 1980 – 1990 has only recently began to be more widely adopted. As the East has absorbed Western science and technology to create the new quality culture, so the West is of necessity, coming round to an acceptance and greater understanding of the importance of their workforce (Xenikon and Furnham, 1996). According to Johnson (1992), organizational culture is the taken for granted assumptions, or paradigm of an

organization. Schein (1990), posits that organizational cultures is a pattern of basic assumptions, invented, discovered or developed by a given group, as it learns to cope with its problems of external adoption and internal integration, that has worked well enough to be considered valid and, therefore, is to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. As started by Earley and Mosakowski (2004). Company have cultures and subcultures. For example, the sales force can't talk to the engineers, and the PR people lose patience with the lawyers. Department, divisions, professions, geographical regions – each has a constellation of manners, meaning, histories, and values that will confuse the interloper and cause him or her to stumble. In analyzing the culture of an organization or group, it is important to distinguish among the three fundamental levels at which culture manifest. As shown on fig…. it manifest in: (i) **Observable artifacts** such as physical layout, dress code, the way people relate to each other, company records, statement of philosophy, and reports (ii) values, norms, philosophy, and ideology; and (iii) basic underlying assumptions about the organizations relationship to its environment, the nature of reality and truth, the nature of human nature, the nature of human activity, and the nature of human relationship, Schein (1990).

Figure 1: Organizational Culture: A Framework for Analysis.
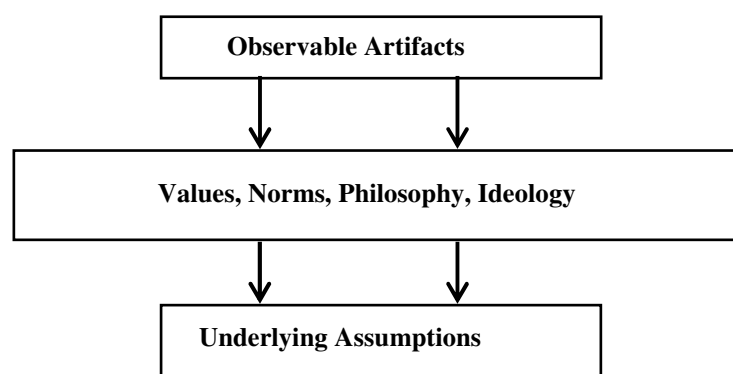
Adapted from: Shani, S. B (RAMI) and LAU, J.B (2005) <u>Behaviour in Organizations: An Experiential Approach</u> Boston: Mc Graw-Hill P.45

At level of observable artifacts, the Banks in Nigeria project their image, through the physical layout of their offices. There is sometimes a relationship between the size of such structures and the financial strength of a given Bank. For example the Head – office of Union Bank of Nigeria Plc is the tallest building in Nigeria, epitomizing its status as a colossus in the finance sector of the economy. While the physical structures of Banks may not be unique, their colours are unique. The colours of a particular bank obviously assist the discerning public in distinguishing one bank from another. The values, norms, philosophy, ideology of Banks in Nigeria are usually stated in the corporate culture series or manuals. It is not uncommon to find such messages on the notice board or banking halls of Banks; a quick reminder to the employees that the content of such corporate culture series should be internalized.

The content of the corporate culture series are drawn by the General management of Banks. The conclusions from management meeting or conferences may be incorporated into such series. The employees may never be part of such management meetings or conferences. It is the exclusive preserve of top management and not the rank and file. The inputs of employees are often not sought. This is largely due to the hierarchical nature of the organizational structure of Banks in Nigeria and high power distance. While it is acknowledged that changing an organization culture is a top management task, which cannot be delegated, turning around the culture of an organization also demand visible leadership which appeals to the employee's feelings and management must attempt to win the minds of the workforce rather than compel obedience to corporate culture through fear and punishment. To enable cultural change to be successful, sufficient support from key persons at different levels in the organization is necessary. This perspective is supported by Cartwright (1999) who stated that for the objective of corporate culture to be attained, the link between it and the employees must be established. The existence of a cultural identity is also imperative. Cartwright posits that identity is the focus of thought and action that uniquely distinguishes the organization and its products and services. Ideally, employees identify themselves personally with a cultural identity that gives them a sense of pride, unity and belonging. Conversely they do not wish to be publicly identified with an organization they are ashamed to be part of.

While cultural identity is, institutionalized in an organization's code of ethics or mission statement, codes of conduct, personnel policies and quality standards, it is externalized in its symbols, house – style, ceremonies and style of dress. The extent to which the organization's corporate image has favourably influenced its employees is a measure of its cultural identity in aspects such as:

• The possession of corporate image/identity
• Employees sense of pride and commitment to the organization
• The projection of its image through the quality of its products and services
• The commitment of management to high – quality standards

3.1 Dimensions of Organizational Cultures

Johnson (1992) identified routine behaviours, rituals, symbol, power, structures, control systems, organizational structure and paradigm as elements of cultural web.

A research project similar to the IBM studies but focusing on organization rather than national cultures was carried out by IRIC (The Institute for Research on Intercultural Co-operation, The Netherlands) (Hofstede et al 1990). The study found six dimensions for describing organizational cultures, namely, process – oriented versus results – oriented cultures, job – oriented versus employee – oriented cultures, professional versus parochial cultures, open systems versus closed systems cultures, tightly versus loosely controlled cultures, and pragmatic versus normative cultures (See Table 2)

3.2 Process - Oriented versus Results - Oriented Cultures

The former are dominated by technical and bureaucratic routines, the latter by a common concern outcome. This dimension is associated with the culture's degree of homogeneity. In result – oriented units, everybody perceived their practices in about the same way, in process – oriented units, there are vast differences in perception among different levels and parts of the unit. Hofstede (1998) found a correlation between high power distance with process oriented and low power distance with result – oriented organizations. In a high power distance societies, there is fertile ground for the growth of hierarchical system.

The banking sector in Nigeria is high in power distance as a result of the existence of hierarchy, centralized power, formal vertical communication flow from top-down, control, formal rules and procedures. Jones and Davis (2000) stated that low power distance is expected to be associated with those institutions with less formal hierarchy of authority and control, greater decentralization of knowledge and responsibility, free exchange of information in both vertical and horizontal directions and limited emphasis on rules and procedures to control operations. As a result of the existence of organizational hierarchy, the Nigerian banking sector has process oriented culture.

3.3 Job Oriented versus Employee Oriented Cultures

Under job oriented culture there is responsibility for the employer's job performance only. Employee oriented cultures assume a broad responsibility for their members well-being. At the level of individual managers the distinction between job orientation and employee orientation has been popularized by Blake and Mouton's managerial Grid (1964). The IRIC study shows that job versus employee orientation is part of a culture and not a choice for an individual manager. As argued by Hofstede (1998) a unit's position on this dimension seems to be largely the result of historical factors like the philosophy of its founders(s) and the presence or absence in its recent history of economic crises with collective layoffs. This is the situation in the Nigerian banking sector today. The propensity of the employers to act arbitrarily is high as the right of employees to aggregate in the form of trade unions with a view to curtailing the ability of the employee to act arbitrarily is seriously curtailed. The concern for work is now very high as a result of the high level of competition and unemployment. The concern for employees is dwindling as the gain of labour in the past is increasingly being eroded. A shorter hour of work achieved between 1980 and 1990 is now being replaced by longer hours of work. The ability of the trade unions to put up any resistance is weakened as a result of the increasing growth of individualism among the workforce.

Table 2: Manifestations at the Work Place of Differences in Organizational Culture

1.Process Oriented	Result Oriented
People avoid taking risks	Comfortable in unfamiliar situations
People spend little effort	People spend maximal effort
Each day is the same	Each day presents new challenges
2. Job Oriented	**Employee Oriented**
Pressure for getting job done	Attention to personal problems
Important decisions by individuals	Important decisions by group
Organization only interested in the work people do	Organization concerned with the welfare of employees and their families
3. Professional	**Parochial**
Think years ahead	Do not think far ahead
Employees' private life is considered their business	Norms of organization cover behavior on the job and at home
Only competence plays a role in recruiting	Family, social class and school play a role in recruiting.
4. Open System	**Closed System**
Organization and people transparent to newcomers and outsiders	Organization and people closed and secretive, even to insiders
Almost anyone fit into the organization	Only very special people fit into the organization.
New employees need only a few days to feel at home	New employees need more than a year to feel at home
5. Tight Control	**Loose Control**
Everybody is cost conscious	Nobody is cost conscious
Meeting times kept punctually	Meeting times only kept approximately
Lots of jokes about job and organization	Always serious about job and organization
6. Pragmatic	**Normative**
Emphasis on meeting needs of customers	Emphasis on correctly following procedures
Results more important than procedures	Correct procedures more important than results
Pragmatic, not dogmatic in matters of ethics	High standard of ethics even at the expense of results

Adapted from: Hofstede, G (1998): "Think Locally, Act Globally: Cultural Constraints in Personnel Management" **Management International Review,** 38(2), P. 20

3.4 Professional versus Parochial Culture

In the former the (usually highly educated) members identify primarily with their profession. In the later, the members derive their identity from organization for which they work. The harsh effect of the dichotomy under reference is being watered down in the Nigeria banking industry. There is interdependence among the professionals as a result of the process oriented nature of the industry. Hofstede (1998) posits that work centrality is stronger in professional organization cultures. In parochial cultures people do not take their work home with them. Nigeria banks officials often take their work home in order to meet targets.

3.5 Open Systems versus Closed Systems Cultures

This dimension refers to the common style of internal and external communication and to the ease with which outsiders and newcomers are admitted. A weak uncertainty avoidance organization favour an open communication climate (Hofstede, 1998). The hierarchical nature of the banking sector in Nigeria is yet to create the desired environment for open communication.

3.6 Tightly versus Loosely Controlled Cultures

This dimension deals with the degree of formality and punctuality within the organization. Hofstede (1998), argued that it is partly a function of the units of technology. He stated that while banks and pharmaceutical companies can be expected to show tight control, research laboratories and advertising agencies will maintain the opposite. The Nigeria banking sector is highly regimented. The ability of bank officials to exercise some discretion over routine matters is seriously curtailed as bank official are expected to adhere strictly to the content of hand books and various circulars. As reported in the Federal High Court of Nigeria in the Lagos judiciary division suit No. FHC/L/CS/600/2002, on the 9th of October, 2003 the appointment of the managing director of First Bank of Nigeria Plc Mr. B. O Longe was revoked by the board for extending a facility of US$ 111.7 million to a customer without allowing the credit committee to act fully on the proposal. The management of the various banks are subjected to closer scrutiny by the regulatory authorities like the central bank of Nigeria. The tight control in the banking sector of Nigeria is due largely to the legal framework under which the banks operate. As argued by Dulfer (1998) there is a reciprocal connection between legal norms and organizational culture. According to him, behavior is becoming anchored in legal norms in order to guarantee a harmonization of collective life and achievement of interpersonal balance of interests.

3.7 Pragmatics versus Normative Cultures

This last dimension describes the prevailing way (flexible or right) of dealing with the environment, in particular with customers. This dimension measures the degree of customer orientation. As a result of the stiff competition in the Nigerian banking sector the product concept is no longer fashionable. The banks are now shifting their preference for marketing concept that is customer oriented. Since the taste, needs and wants of customers are no longer rigid, the banks must also be flexible. To do otherwise will put the attainment of the banks objectives in jeopardy. When there is a change in external circumstances, requiring a corresponding internal change, unless the organization's culture has sufficient built in flexibility to change, its very existence may be threatened.

4.0 The Factors Affecting the Context of Organizational Culture

The constellation of the enterprise's goal-detering subjects is contingent on particular external norms or environmental influence. (Dulfer, 1998:30). Similarly Shani and Lau (2005) found that work group characteristics (commitment to the group's mission tasks, work group size and composition, and workgroup design and autonomy), managerial and leadership styles (i.e philosophical process and output orientations), dynamics among groups and departments (i.e degree of dependency, communication processes and co-operation), organizational characteristics such as mission, product and service requests, size, technology, policies and procedures, reward system and organizational design; environment characteristics such as industry; competitors pressures; and social, political, and legal environments are factors that affect, the evolution of groups and organizational culture.

Figure 2: Some Key Factors affecting the Context of Organizational Culture.
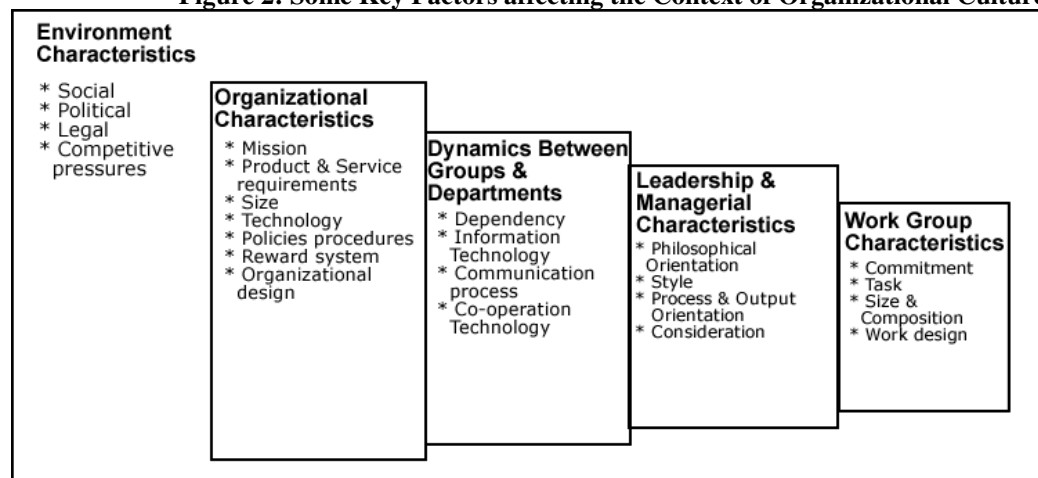
Adapted from: Shani, A.B (RAMI) and Lau, J. B (2005) <u>Behaviour in Organizations: An Experiential Approach</u>. Boston: Mc Graw Hill P. 406

In the preceding section, the factors affecting the context of organizational culture were stated. In the next section, the convergence between National and organizational culture will attract attention.

5.0 Attaining a Convergence between National and Organizational Culture

Management in general are culturally constrained, as there is a distinction between National Cultures and Organization cultures. National culture differs mainly on the level of fundamental values. These affect organizations, structures, motivation, performance appraisal, objective setting, strategic management, and humanization of work. Organizational cultures (within nations) differ mainly on the level of more superficial practices which means they are manageable. Managing organizations means accepting national culture differences and managing organizational culture differences (Hofstede, 1998). Hofstede (1998), submit that in the case of national culture, the category is the nation-keeping other things equal. In the case of organizational cultures the category is the organization as opposed to other organizations. Next to national and organizational culture, Hofstede, distinguished occupational cultures, business cultures, gender cultures, age cultures (like youth culture), and so on. He however cautions that the use of the word culture, for these categories does not mean that they are identical phenomena. For different kinds of social systems, their cultures may well be of different nature. The attainment of convergence between National and organizational culture is therefore a task. This is imperative if the leadership is to successfully navigate the vehicle of culture towards positive ends with a view to attaining the objectives of their corporate existence.

There may be a constrain in attaining a convergence between national culture and organizational culture especially where the former is putrid. As asserted by Cartwright (1991), it is possible to hybridise our traditional differences to create a new culture that is dynamic. When different cultures come into contact, and especially when their people have to live and work together, an understanding and tolerance of cultural differences is imperative for cultural harmony. Similarly, Hopkins (1997) describe the necessity for cultural harmony in multi-cultural organizations and explain why this is so difficult to achieve. He found a profound difference between cultural harmony and cultural conformity. While cultural harmony exists within and between different cultures and the different ethnic groups, cultural conformity is an attempt to create one mono-cultural style. This could be oppressive and repressive, culminating in strong resistance. Cultural conformity, therefore, is neither desirable nor necessary for cultural compatibility.

Spalding (2000) posits that it is not impossible to achieve a convergence between some element of National and organizational culture. This position is supported by Share (1992) who found that companies located in innovative supporting cultures tend to invent more than others, since the values which operates at the national level also operate at the firm level. Douglas (1996) attempted resolving the dilemma surrounding the convergence between national and organizational culture. As argued by Douglas, societies are coalition of cultures shaped by competition between ways of life. He argued further that the configurations of cultures will explain social organization and policies, and their alliances and struggles will impact on politics and policy. In addition, combinations of cultures may contribute to social stability, as secondary ways of life may provide values or means of conflicts resolution which the dominant culture lacks. These subcultures may be porous and interact with other ways of life, or they may be monolithic and more or less distinct from the larger society or from other groups. Individuals within society define themselves in their rejection of others' values. Spalding (2000), however stated that each society or community will reflect a mix of ways of life and their relative strengths within the population and leadership. That heterogeneity provides the health of the society, and the source for change. Furthermore, in times of change, varied influences may lead to accommodation or reaction. Because national culture and individual organizations are integral parts of the environment in which organizations function, organizational culture by implication is influenced by the broader societal culture (Dickson, Besheas, Gupta, 2004)

6.0 The Impact of National and Organizational Culture on Corporate Performance

National cultures have a direct bearing on their national economies and particular kinds of cultures are best suited to economic success while others hold nations back – sometimes to their feudal past. As culture is to nations, so it is to organizations. The kind of culture an organization has (or is) will determine its economic destiny (Cartwright, 1999). Cartwright (1999) found that proposed merger of trans-national companies often fail because of incompatibility between their cultures or because of a personality or power clash between their chief executives. In the case of mergers and acquisitions a diagnosis is needed for identifying the potential areas of culture conflict between the partners. Decisions on mergers are traditionally made from a financial point of view only: mergers are part of a big money power gain and seen as a defence against (real or imaginary) threat by competitors. Those making the decision rarely imagine the operating problems which arise inside the newly

formed hybrid organizations. A diagnosis of the cultures involved should be an input to the decision whether or not to merge, and after the decision has been made, it should be an input to a plan for managing the post-merger integration so as to minimize friction, losses and preserve unique culture capital. (Hofstede, 1998).

The focus on organizational culture is rooted in the increasing difficulty in the emerging global market place and the management of mergers and acquisitions. As the number of mergers and acquisitions are increasing, the difficulties managers run into as they are trying to transform two entities into one, is also increasing (Shani and Lau, 2005). According to Morgan (2005), only one out of every ten deals relating to mergers and acquisitions is consummated as a result of differences in organizational culture. As started by Shani and Lau, when management guru, Stephen Covey merged his convey leadership centre with rival Franklin Quest, most people predicted that the merging of the two organizations was a win – win deal with natural synergies. Yet, 18 months later, it was discovered that despite similar corporate missions, their cultures were different.

In Nigeria, standard Trust Bank, a small bank acquired United Bank for Africa, a bigger bank, after the intervention of a major consulting firm. In another development, the intervention and sacking of the leadership of Union Bank of Nigeria Plc by the Central Bank of Nigeria in 2009 took place after the intervention of a major consulting firm who failed to recognize the import and place of organizational culture in corporate strategy implementation.

Hofstede (1998) established the link between national and organizational culture by correlating uncertainty avoidance, with open versus closed system, weak uncertainty avoidance with open communication climate. Power distance is correlated with process versus results oriented. To Hofstede, larger power distances are associated with process orientation and smaller ones with results orientation. Questions which in the cross – national study composed the individualism and masculinity dimensions formed a different configuration in the cross – organizational study, labeled work centrality (strong or weak): the importance of work in one's total life pattern. It was correlated with parochial versus professional.

Jung, Bass and Sosik (1995) found that transformational leadership emerges more easily and more effective in collectivistic culture than in individualistic cultures. The centrality of work life and the high level of group orientation among followers should promote transformational leadership and the high respect for authority and the obedience in collectivistic cultures should enhance transformational processes. High uncertainty avoidance cultures, with the resulting emphasis on rules, procedures and traditions may place demands on leaders not expected in low uncertainty avoidance cultures. More innovative behaviours on the part of leadership may therefore be expected in low uncertainty avoidance cultures. Also masculine cultures are probably more tolerant of strong, directive leaders than feminine cultures, where a preference for more consultative, considerate leaders seems likely.

In a masculine oriented organization located is a masculine oriented society, the workforce is more tolerant of decisions coming to them from the top management without prior consultation. On the other hand, in a feminine oriented organization located in a masculine oriented society the workforce are less tolerant to decisions being passed from top to bottom without prior consultation. The second contrasting argument is valid in Nigerian banks where only three women are Managing Directors/Chief Executive officers out of the twenty one banks in Nigeria (The Chartered Institute of Bankers of Nigeria, 2014).

Hartog et al (1999) suggests that the preferences for a low power distance in societies could result in other desired leader attributes than a preference for high power distance. For instance, a less negative attitude towards authoritarian leadership will likely be found in high power distance societies. In such societies, dominance and ostentations displays of power might be appropriate for leaders. Smith, Peterson and Misumi (1994:33-43) in their "event management" research show that managers in high power distance societies, report more use of rules and procedures then managers from low power distance societies. As argued by Onalo (2005:5-6) however, "an organization may establish complicated policies and procedures as checks and balances to control its risk taking, but if it lack a strong cultural core, these will be of little avail".

Morris, Davis, and Allen (1994:65-89) studied the effect of the individualism – collectivism dimension of national culture on organizational entrepreneurship, suggesting that this dimension provides both functional and dysfunctional aspect within an organization. The authors found that there was a curvilinear relationship between individualism and entrepreneurship and innovation – that it takes a careful balance of each to foster entrepreneurial activity. This possibly suggests that collectives will resist the significance organizational and other changes that are associated with radical innovations, instead of favouring incremental changes, imitation, and adaptation. Individualism supports more radical breakthroughs. Moris, Davis and Allen (1994:65-89) noted

that the "key is to balance the need for individual initiative with the spirit of co-operation and group ownership of innovation". Similarly Nakata and Sivakumar (1996) submit that high individualism facilitates innovation initiation and collectivism support innovation implementation. Nakata and Sivakumar proposed that the initiation phase of a new product would be best supported by high degree of masculinity, while the implementation phase should be supported by high degree of femininity. Hofstede (1980) argued that lower distance societies or firms exhibit a greater tendency to innovate. Other researcher have conceptualized or empirically tested the relationship of dimensions of culture to innovative capabilities and success. (Jones & Davis 2000).

Share (1999) using patents as a proxy for invention found that non-hierarchical (low power distance) societies are more inventive than others. The banking sector in Nigeria is yet to come up with a unique products or services as a result of high power distance which impairs innovation. Low power distance is expected to be associated with those institutions with low power structure, including a less formal hierarchy of authority and control, greater decentralization of knowledge and responsibility, free exchange of information in both vertical and horizontal directions, and limited emphasis on rules and procedures to control operations (Jones and Davis 2000).

7.0 Summary of Major Findings from Review of Literature.

(i)   There is a convergence between National and Organizational culture.
(ii)   National and organizational culture impacts on corporate performance.
(iii)   The level of cultural intelligence in the Nigerian banking sector is low.
(iv)   In the Nigerian banking sector, the role of culture is often ignored by managers and consultants in change management, corporate strategy implementation, Business transformation and business integration.
(v)   In any change initiative, the failure to exemplify the imperative of culture could be fatal.
(vi)   The low level of cultural intelligence is responsible for the inability of managers to acknowledge the importance of culture in change management and business integration.
(vii)   The innovative capacity of an organization is culture driven.
(viii)   The innovative capacity of Banks in Nigeria is constrained by high level of power distance, high uncertainty avoidance and job oriented culture.
(ix)   The high uncertainty avoidance, high power distance and job oriented culture are responsible for the poor performance of banks and inability to gain sustainable competitive advantage.

7.1 Recommendations

(i)   There is a relationship between organizational culture and corporate performance. To enhance corporate performance, the management in the Nigerian banking sector must improve on the present low level of cultural intelligence.
(ii)   To enhance innovative capacity with a view to gaining competitive advantage in the Nigerian banking sector, the factors responsible for high power distance, uncertainty avoidance and job oriented culture should be mitigated.
(iii)   Organizational culture audit should be recognized as an integral part of corporate strategy. An understanding of organizational culture is therefore vital in the implementation of strategy, change management and business integration.

7.2 Areas for further Research

(i)   The specific measures/tools for mitigating the high uncertainty avoidance, high power distance and job oriented culture in the Nigerian banking sector.

8.0 Conclusion

In this study the concept of National and Organizational culture were examined. A convergence between National and Organizational culture was found. A correlation between the elements of uncertainty avoidance,

high power distance and job oriented culture and corporate performance is also discernable. Thus, it is expected that the mitigation of high uncertainty avoidance, high power distance and job oriented culture where employees are seen as mere integers will impact positively on innovative capacity and hence good corporate performance. While this study will act as an enabler of cultural intelligence, the specific measures that are necessary for the mitigation of high uncertainty avoidance, high power distance and job oriented culture which constrains innovative capacity and hence poor corporate performance are yet to be fully explored. To enable the Nigerian banking sector gain sustainable competitive advantage, the stated gap should be a major focus in future studies.

Reference

Berry, S (1985) <u>Fathers works for their Sons,</u> In Spalding, N (2000): "A Cultural Explanation of Collapse into Civil War: Escalation of Tension in Nigeria". London: <u>Journal of Culture & Psychology</u>. 6(1).

Bernard Ojeifo Longe and First Bank of Nigeria Plc, " Suit No. FHC/L/C5/600?202". In the Federal High Court of Nigeria – Lagos Judicial Division, 9th Day of Oct., 2003.

Cartwright, J (1999): <u>Cultural Transformation</u>. Edinburgh Gate: Pearson Education Ltd.

Cartwright, J (1999) <u>Culture Transformation</u>. London: Pearson Education Ltd. P. 6.

CBN (2003) <u>Annual Report & Statements of Accounts</u>, P. 47-62

Chazan, N (1993): "Between Liberalism and Statism: African Political Cultures and Democracy" In Spalding, N (2000) "A Cultural Explanation of Collapse into Civil War: Escalation of Tension in Nigeria", <u>Journal of Culture & Psychology</u>. 6(1) 67-106.

Den Hartog, D. N, House, R. J, Hanges, P. J, Dorfman, P. W, Ruiz-Quintanilla, S. A, et al (1999) "Emic & Etics of Culturally –Endorsed Implicit Leadership Theories: Are Attitudes of Charismatic/Transformational Leadership Universally Endorsed?" <u>A working paper of the Reginald Jones Centre, The Wharton School of University of Pennsylvania</u>.

Dickson, M. W, Beshears, R. S and Gupta, V (2004) "The Impact of societal culture and industry on organizational culture". In House et al (ed) (2004) "Culture, Leadership, and Organizations", <u>The Globe leadership & organizational behavior effectiveness research program (Globe), Study of 62 Countries</u>. London: Sage Publications, P74

Dulfer, E (1998) "Individualization of Human Resources Management Facing Intercultural Corporate Structures" <u>Management International Review</u>. 38 (2). P.36

Douglas, M (1996) In Spalding, N "A Cultural Explanation of Collapse into Civil War: Escalation of Tension in Nigeria", <u>Journal of Culture & Psychology</u>. Vol. 6(1).

Earley, P. C. and Mosakowski, E (2004) "Cultural Intelligence" <u>Harvard Business Review</u> Oct, 2004, PP. 139-142.

Gillham, B (2000) <u>Case Study Research Methods</u>. London and New York: Continuum.

Hofstede, G and Bond, M. H (1988) "The Confucius Connection: from Cultural Roots to Economic Growth", In Jones, G. K. and Davis, H. J (1997) "National Cultural and Innovation: Implications for Locating Global R & D Operations" <u>Management International Review</u>, 40(1), P. 26.

Hofstede, G. Neuijen, B, Ohayv, D Sanders, G., "Measuring Organizational Cultures", <u>Administrative Science Quarterly</u>, 35, 1990. Pp. 286-316.

Hofstede, G (1998): "Think Locally, Act Globally: Cultural Constraints in Personnel Management". <u>Management International Review</u> 38(2)

Hofstede, G (2001): Culture's Consequences: Comparing Values, Behaviours, Institutions, and Organizations Across Nations, 2nd ed. In Shani, AB (RAMI) and LAU, J. B (2005): <u>Behaviour in Organizations: An Experiential Approach</u>. Boston: Mc Graw Hill P. 404.

Hopkins, W. E (1997) <u>Ethical Dimension of Diversity</u> in Cartwright, J (1999): Cultural Transformation. Edinburgh Gate: Pearson Education Ltd.

Johnson, G "Managing Strategic Change: Strategy, Culture and Action". <u>Long Range Planning</u>, Vol. 25, 1992, pp. 28-36.

Jones, G. K. and Davis, H. J (1997) "National Culture and Innovation: Implications for Locating Global R & D operations" <u>Management International Review</u>, Vol. 40(1).

Jorgensen, D (1989). <u>Participant Observation</u>. Newbury Park, CA: Sage Publications.

Jung, D. I, Bass, B. M and Sosik, J. J (1995) "Bridging Leadership and Culture: A Theoretical Consideration of Transformational Leadership and Collectivistic Cultures". <u>Journal of Leadership Studies</u>, 2, PP. 3-18.

Matsumoto, D (1996) Culture and Psychology. In Matsumoto, D, Kudoh, T and Takevchi S (1996): "Changing Patterns of Individualism and Collectivism in the United States and Japan" Journal of Culture and Psychology. Vol. 2

Matsumoto, D, Kudoh, T and Takevchi, S (1996): "Changing Patterns of Individualism and Collectivism in the United States and Japan "Journal of Culture and Psychology. Vol. 2

Miles, W and Rochefort, D (1991). "Nationalism versus Ethnic Identity in Sub-Saharan African" American Political Science Review, 82(2).

Miles, W (1994). Hausa land divided: Colonialism and Independence in Nigeria and Niger. In Spalding, N (2000): "A Cultural Explanation of Collapse into Civil War: Escalation of Tension in Nigeria", Journal of Culture & Psychology. 6(1).

Morgan, J. P in Shani, A. B (Rami) and Lau, J. B (2005) Behaviour in Organizations: An Experiential Approach (8ᵗʰ ed). Boston: Mc Graw – Hill. P. 404.

Morris, M. H, Davis, D. L and Allen, J. W (1994): "Fostering Corporate Entrepreneurship: Cross – Cultural Comparisons of the Importance of Individualism and Collectivism" Journal of International Business Studies. First Quarter, 1994. PP 65-89.

Nakata, C and Sivakumar, K (1996) "National Culture and New Product Development: An integration Review" Journal of Marketing 60, Jan., PP. 61-72.

Onalo, C. M. E (2005) "Banks and Post – Consolidation Credit Culture" Journal of the Institute of Credit Administration (ICA Nigeria), 3(9) P. 6.

Owusu, M (1992) "Democracy and Africa: A view from the village", The Journal of Modern African Studies, 30(3), 369-396.

Shani, AB (RAMI), and Lau, J. A (2005): Behaviour in Organizations: An Experiential Approach. Boston: Mc Graw – Hill.

Schein, E. H (1990) "Organizational Culture", American Psychologist 45(2), PP. 109 – 190.

Share, S. A (1992) "Why Do Some Societies Invent more than others?" Journal of Business Venturing, 7. PP. 29 -46.

Smith, P. B, Peterson M. F and Misumi, J (1994) "Event Management and Work Team Effectiveness in Japan, Britain and the USA". Journal of Occupational and Organizational Psychology, Vol. 67, PP. 33 – 43.

Spalding, N (2000): "A Cultural Explanation of Collapse into Civil War: Escalation of Tension in Nigeria". London: Journal of Culture & Psychology 6(1).

The Chartered Institute of Bankers of Nigeria (2014) "List of all Commercial Banks in Nigeria", Accessed from http://www.cibng.org/cb-bank_dir.asp

Triandis, H. C (1994). Culture and Social Behaviour. In Matsumoto, D, Kudoh, T and Takevchi, S (1996): "Changing Patterns of Individualism and Collectivism in the United States and Japan" Journal of Culture and Psychology. 1996, 2:77-107.

Xenikon, A and Furnham, A (1996) "A Correlation and Factor Analytic Study of Four Questionnaire Measures of Organizational Culture" Human Relation, 49(3)

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
http://www.iiste.org

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: http://www.iiste.org/journals/ All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

Academic conference: http://www.iiste.org/conference/upcoming-conferences-call-for-paper/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library , NewJour, Google Scholar