

Influence of Organizational Culture on Employees Behaviour among Small and Medium Scale Enterprises in Delta State

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Abstract

The study determined the degree of influence organizational culture has on employee's behaviour among small and medium scale enterprises. Two research questions were raised and two null hypotheses were formulated for the study at 0.05 level of significance. The researcher adopted a correlation research design for the study and the population of the study consisted of 2,020 respondents, made up of one employee each in the 2,020 Small and Medium Scale Enterprises operating in Delta State, and registered with the Ministry of Commerce and Industry. While the sample size is 1,010 respondents, which is 50% of the population using the systematic random sampling technique. A 5-point likert scale questionnaire which consisted of 15 items tagged "Organizational Culture on Employees Behaviour and Productivity Questionnaire (OCEBPQ)" was used to collect data for the study. Mean was employed in answering the research questions, while the Pearson Product Moment Correlation Coefficient was used to test the null hypotheses. It was found out that there is a significant relationship between the organizational culture and employee's behaviour/ productivity among small and medium scale enterprises in Delta State. Therefore, it was recommended that Owners of Small and Medium Scale Enterprises should accept the responsibility of not only sharing the values and behaviours suggested by the organizational culture but also embodying these same values and behaviours since it is folly to expect employees' adherence to values and behaviours that are ignored by them.

Key Words: Organizational Culture, Small and Medium Scale Enterprises

1.1 Introduction

Organizational culture has received ample attention both in the popular and scholarly press as an important factor predicting organizational effectiveness by inducing employees to behave effectively (Zellars & Tepper, 2003; Marinova, 2005). Every organization has a unique culture. Each organization's culture differs from what it values most, what it expects and accepts from its employees, and how it gets things done Nwugwo, (2001) stated that the assertion that culture leads to behaviour, however, has received only limited empirical support. In this twenty-first century, the environment in which organizations operate is increasingly turbulent, rocked by forces such as globalization and rapid technological change. Social and demographic forces have dramatically changed the make-up of today's workforce, which is now the most educated and ethnically diverse in history. These developments are profoundly affecting the way in which organizations organize themselves, just as they are influencing individuals' behaviors and attitudes to and expectations of both organizations and work.

Recent events in the business world vis-à-vis small and medium scale enterprises nevertheless suggest that understanding organizational culture and its impact on human behavior in organizations may be of critical importance. Marinova (2005) noted for instance that having the wrong organizational culture precipitates business failure. However, high achievement oriented, entrepreneurial employees can reinforce the competitive "survival-of-the-fittest" culture of the organization. Because of the unreasonably high performance expectations, competitive behaviour taken to an unethical level became the norm for many managers and employees. Organizations pursuing internal stability such as large government bureaucracies are likely to seek to instill respect for order and rule following as appropriate behaviors in their employees in order to facilitate functioning on complex tasks.

The proliferation of terms to describe the broad domain of employee behaviours has been accompanied by a sustained interest in identifying the antecedents and performance implications of these behaviors. Some studies have examined individual differences such as personality in relation to citizenship behaviors, but the predictive validity of personality has been found to be limited for the most part to the trait of conscientiousness. Considerable research has been conducted on the premises of the social exchange perspective, according to which employees engage in beneficial behaviors to reciprocate favorable treatment by the organization (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Antecedents such as perceived organizational support (Rhoades & Eisenberger, 2002), fairness (Masterson, Lewis, Goldman, & Taylor, 2000), and leader-member exchange have been explored from a social exchange theoretical perspective.

Culture encompasses elements of the organization such as artifacts, values, and symbols, which permeate the organizational environment and provide blueprints for employees of what is expected in their work environment. Assumptions and values are a major component of organizational culture and this determines its largely preconscious nature. Organizational culture can also be viewed as a system. The inputs to this system include feedback from the society, professions, laws, stories, heroes, values on competition or service, etc. The process is based on the organization's assumptions, values and norms. The outputs or effects of culture are employee's behaviours, technologies, strategies, image, products, services, appearance, etc. Chukwu, Aguwamba and Kanu (2017) noted that culture are consistent ways organizations carryout their activities to sustain their existence.

Organizational systems always set the rules for employee behaviour so as to maintain a balance in the system, even when that balance may be less than optimal for the organization's success. Employees therefore do not behave in a value-free environment; they are governed and directed by the organization's culture. Small and medium scale enterprises are not let out from these problems as well. Hence, the researcher investigated the influence of organizational culture on employee's behaviour among small and medium scale enterprises in Delta State.

1.2 Concept of Organizational Culture

Organizational culture is a widely used term but one that seems to give rise to a degree of ambiguity. Watson (2006) emphasizes that the concept of culture originally derived from a metaphor of the organization as 'something cultivated'. For the past number of decades, most academics and practitioners studying organizations suggest the concept of culture is the climate and practices that organizations develop around their handling of people, or to the promoted values and statement of beliefs of an organization. Schein (2004) highlights that 'the only thing of real importance that leaders do is to create and manage culture; that the unique talent of leaders is their ability to understand and work with culture; and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

Culture therefore gives organizations a sense of identity and determines, through the organization's legends, rituals, beliefs, meanings, values, norms and language, the way in which 'things are done around here'. An organizations' culture encapsulates what it has been good at and what has worked in the past. These practices can often be accepted without question by long-serving members of an organization. One of the first things a new employee learns is some of the organization's legends. Legends can stay with an organization and become part of the established way of doing things. Over time the organization will develop 'norms' i.e. established (normal) expected behaviour patterns within the organization. A norm is defined as an established behaviour pattern that is part of a culture.

Schein (2004) emphasizes that perhaps the most intriguing aspect of culture as a concept is that it points us to phenomena that are below the surface, that are powerful in their impact but invisible and to a considerable degree unconscious'. Schein uses an analogy that culture is to a group what personality or character is to an individual. We can see the behaviour that results, but often we cannot see the forces underneath that cause certain kinds of behaviour. Yet, just as our personality and character guide and constrain our behaviour, so does culture guide and constrain the behaviour of members of a group through the shared norms that are held in that group.

1.3 Concept of Small and Medium Scale Enterprises

Small and Medium Scale Enterprises constitute a vital engine in economic growth and development of any nation (Oroka, 2011). Otth (2000) deposed that very many people wrongly employ the terms "small and medium scale enterprises" and "entrepreneurship" interchangeably. Entrepreneurships are not only small-scale or medium-scale enterprises although most entrepreneurship starts off in the small business mode. Therefore, entrepreneurship can be small, medium or large-scale organization.

The question has always been "how small is a small-scale business"? There appears to be no consensus on the definition of small and medium scale enterprises. Only operational definitions are available; the definition varies a great deal across countries, individuals, institutions and organizations and this arises as a result of different levels of economic advancement.

Okojie (2005) defined small and medium scale enterprises as businesses that can be established by individuals as a sole-proprietor, partnership- consisting of few persons or company, which cannot take more than fifty persons. According to him, The European Commission (EC) initiated a set of definition of the small and medium enterprises excluding agriculture, forestry and fishing as:

- Micro enterprises: from 1-9 employees.
- Small enterprises: from 10-99 employees

- Medium enterprises: from 100-249 employees.

1.4 Influence of Organizational Culture on Employee's Behaviour and Productivity

According to Suri (2012) organizational culture helps in predicting human behaviour in the organizational setting by drawing a clear distinction between individual behaviour and group behaviour. Organizational culture does not provide solutions to all complex and different behaviour puzzles of organizations. It is only the intelligent judgement of the manager in dealing with a specific issue that can try to solve the problem. Organizational culture only assists in making judgements that are derived from tenable assumptions; judgement that takes into account the important variables underlying the situation; judgement that are assigned due recognition to the complexity of individual or group behaviour; judgement that explicitly takes into account the managers own goals, motives, hang-ups, blind spots and weaknesses.

Organizational culture integrates these factors to provide simplicity in understanding the human behaviour. Interpersonal Level: Human behaviour can be understood at the level of interpersonal interaction. Organizational culture provides means for understanding the interpersonal relationships in an organization. Analysis of reciprocal relationships, role analysis and transactional analysis are some of the common methods, which provide such understanding. Group Level: Though people interpret anything at their individual level, they are often modified by group pressures, which then become a force in shaping human behaviour, Thus, individuals should be studied in groups also.. Research in group dynamics has contributed vitally to organizational behaviour and shows how a group behaves in its norms, cohesion, goals, procedures, communication pattern and leadership. These research results are advancing managerial knowledge of understanding group behavior, which is very important for organizational morale and productivity. Inter-group Level: The organization is made up of many groups that develop complex relationships to build their process and substance. Understanding the effect of group relationships is important for managers in today's organization. Inter-group relationship may be in the form of co-operation or competition. The co-operative relationships help the organization in achieving its objectives. Organizational culture provides means to understand and achieve co-operative group relationships through interaction, rotation of members among groups, avoidance of win-lose situation and focusing on total group objectives (Whiting, 2006).

Hai Li, Baiyin Yang, Mian Zhang (2011) investigated on the two functions of organizational culture link to organizational productivity, centering on human resource capability as a mediator and environmental uncertainty as a moderator. The study tested the hypotheses with data collected from representatives of 362 firms the average number of employees was 5,430 (SD=16,999) in China. The findings showed that the two functions of organizational culture, that is, internal integration and external adaptation, play a joint effect on employee's productivity or performance. The relationship between external adaptation and performance is mediated by human resource capability. In addition, environmental uncertainty plays a moderating role involving the association between internal integration and performance.

1.5 Statement of the Problem

Despite the fact that Small and Medium Scale Enterprises are the engine room behind a nation's development, yet this sector is bedeviled by several constraints amid poor organizational cultures on employee's behaviors, which continues to mar its laudable objectives. Organizational culture is now a prevalent topic among academics, managers, consultants and the world over, as a means of distinguishing the members of one group from others. Culture gives identities to organizations, groups and individuals. Today's organization is predominantly dynamic as it poses large opportunities and challenges to the corporate practitioners and policy makers.

The notion that culture has a momentous impact on the effectiveness and behaviour of employees within organizations is widely underscored in the literature. Owing to organizational culture differences, same strategies do not yield same results for two organizations even in the same industry and same location. This study is thus prompted by the apparent scarce research of the relationship between these concepts (organizational culture and employee's behaviour) especially among Small and Medium Scale Enterprises. Therefore, the researcher studied the influence of organizational culture on employee's behaviour among small and medium scale enterprises in Delta State.

1.6 Purpose of the Study

The purpose of the study was to determine the degree of influence organizational culture has on employee's behaviour among small and medium scale enterprises in Delta State. In order to achieve this purpose, the study specifically found out:

1. the extent to which organizational culture influences employees behaviour among small and medium scale enterprises in Delta State
2. the extent to which organizational culture influences employees productivity among small and medium scale enterprises in Delta State

1.7 Research Questions

The following research questions raised were answered in the study:

1. To what extent does organizational culture influences employee's behaviour among small and medium scale enterprises in Delta State?
2. To what extent does organizational culture influences employee's productivity among small and medium scale enterprises in Delta State?

1.8 Hypotheses

The following null hypotheses formulated were tested at 0.05 level of significance:

HO₁: There is no significant relationship between organizational culture and employee's behaviour among small and medium scale enterprises in Delta State

HO₂: There is no significant relationship between organizational culture and employee's productivity among small and medium scale enterprises in Delta State

2.1 Design

The design adopted in this study is the correlation research design. It is concerned with the relationship that exists among two or more variables in a given study. Organizational culture is investigated as correlates of employee's behaviour and productivity.

2.2 Population/Sample

The population for the study consisted of 2,020 respondents, made up of one employee each in the 2,020 Small and Medium Scale Enterprises operating in Delta State, and registered with the Ministry of Commerce and Industry (Delta State Industry Directory, 2017). While the sample size is 1,010 respondents, which is 50% of the population. The sample size was obtained using the systematic random sampling technique as shown in Table 1 below.

Table 1: Population/Sample of the Study

| S/N | Senatorial Districts | No. of LGS's in the Districts | No. of SMEs in the Districts | Population of the Study | Sample Size |
|-----|----------------------|-------------------------------|------------------------------|-------------------------|--------------|
| 1 | North | 9 | 292 | 292 | 146 |
| 2 | Central | 8 | 1,243 | 1,243 | 622 |
| 3 | South | 8 | 485 | 485 | 242 |
| | Total | 25 | 2,020 | 2,020 | 1,010 |

Source: Delta State Industry Directory (2017). Number of Registered Small and Medium Scale Enterprises in North, Central and South Senatorial Districts of Delta State. Ministry of Commerce and Industry.

2.3 Research Instrument

A 5-point likert scale questionnaire which consisted of 15 items tagged "Organizational Culture on Employees Behaviour and Productivity Questionnaire (OCEBPQ)" was used to collect data for the study. The 5-point scale instrument was rated thus;

| Response Category | Point | Boundary Limit |
|------------------------|-------|----------------|
| Very High Extent (VHE) | 5 | 4.50-5.00 |
| High Extent (HE) | 4 | 3.50-4.49 |
| Indifferent (I) | 3 | 2.50-3.49 |
| Moderate Extent (ME) | 2 | 1.50-2.49 |
| Low Extent (LE) | 1 | 1.00-1.49 |

2.4 Method of Data Analysis

Mean was used to answer the research questions while Pearson Product Moment Correlation Coefficient was used to analyze the null hypotheses formulated at 0.05 level of significance.

3.1 Presentation and Analysis of Data

3.2 Question One: To what extent does organizational culture influences employee's behaviour among small and medium scale enterprises in Delta State?

Table 2: Mean Responses of SME Employees on the Influence of Organizational Culture on their Behaviour

| S/n | Item | N | Mean | Decision |
|-----|---|--------------|-------------|--------------------|
| 4 | Organizational culture helps in predicting employees behaviour among SMEs | 1,010 | 3.56 | High extent |
| 5 | Organizational culture motivates the setting of goals among SMEs | 1,010 | 4.00 | High extent |
| 6 | Organizational culture provides means for understanding the interpersonal relationships among SMEs | 1,010 | 3.62 | High Extent |
| 7 | Organizational culture engenders solidarity among SMEs | 1,010 | 3.88 | High Extent |
| 8 | Organizational culture reduces strive among SMEs | 1,010 | 3.50 | High Extent |
| 9 | Employees are intentionally acculturated into the assumptions and belief systems of their SMEs culture via organizational culture | 1,010 | 3.52 | High Extent |
| | Grand Mean | 1,010 | 3.68 | High Extent |

The data above shows that all the items were responded to by Employees of Small and Medium Scale Enterprises as high extent. The grand mean of 3.68 which is within the mean range of high extent indicates that organizational culture influences employee's behavior among small and medium scale enterprises in Delta State to a high extent.

3.3 Question Two: To what extent does organizational culture influences employee's productivity among small and medium scale enterprises in Delta State?

Table 3: Mean Responses of SME Employees on the Influence of Organizational Culture on their Productivity

| S/n | Item | N | Mean | Decision |
|-----|--|--------------|-------------|----------------------|
| 10 | Organizational culture shapes the work force attitudes of employees among SMEs | 1,010 | 3.50 | High Extent |
| 11 | Organizational culture motivates higher levels of job satisfaction of employees among SMEs | 1,010 | 3.71 | High Extent |
| 12 | Organizational culture influence SMEs towards higher performance as a firm | 1,010 | 3.60 | High Extent |
| 13 | A satisfactory organizational culture creates a motivation for high standards of performance and employees are always willing to contribute their best in the organization | 1,010 | 3.53 | High Extent |
| 14 | Organizational culture brings about higher productivity among SMEs | 1,010 | 3.58 | High Extent |
| 15 | organizational culture affects employee's productivity, performance, commitment, and self-confidence | 1,010 | 3.62 | High Extent |
| | Grand Mean | 1,010 | 3.59 | Highly Extent |

The Table above shows that all the items were responded to by Employees of Small and Medium Scale Enterprises as high extent. The grand mean of 3.59 which is within the mean range of high extent indicates that organizational culture influences employee's productivity among small and medium scale enterprises in Delta State to a high extent.

3.3 Test of Hypotheses

Ho₁: There is no significant relationship between organizational culture and employee's behaviour among small and medium scale enterprises in Delta State

Table 4: Pearson Product Moment Correlation Co-efficient (r) Computation for the Relationship between Organizational Culture and Employee's Behaviour

| Variables | N | Mean | r-cal | r-crit | Df | Decision |
|------------------------|-------|------|-------|--------|-------|--------------------|
| Organizational Culture | 1,010 | 3.54 | 0.72 | 0.1638 | 1,008 | Significant P>0.05 |
| Employee's Behaviour | 1,010 | 3.63 | | | | |

The data in table 4 shows that $r\text{-cal}$ (0.72; $P < 0.05$) is greater than $r\text{-crit}$ (0.1638). This indicates that there is a significant relationship between the organizational culture and employee's behaviour among small and medium scale enterprises in Delta State. Hypothesis one is, therefore not accepted and the alternative is upheld.

HO₂: There is no significant relationship between organizational culture and employee's productivity among small and medium scale enterprises in Delta State

Table 5: Pearson Product Moment Correlation Co-efficient (r) Computation for the Relationship between Organizational Culture and Employee's Productivity

| Variables | N | Mean | r-cal | r-crit | Df | Decision |
|-------------------------|-------|------|-------|--------|-------|------------------------|
| Organizational Culture | 1,010 | 3.60 | 0.81 | 0.1638 | 1,008 | Significant $P > 0.05$ |
| Employee's Productivity | 1,010 | 3.66 | | | | |

The data in table 3 shows that $r\text{-cal}$ (0.81; $P < 0.05$) is greater than $r\text{-crit}$ (0.1638). This indicates that there is a significant relationship between the organizational culture and employee's productivity among small and medium scale enterprises in Delta State. Hypothesis two is, therefore not accepted and the alternative is upheld.

4.1 Discussion of Findings

The study determined the degree of influence organizational culture has on employee's behaviour and productivity among small and medium scale enterprises in Delta State. The results from the answered research questions revealed that organizational culture influences employee's behavior among small and medium scale enterprises in Delta State to a high extent; and that organizational culture influences employee's productivity among small and medium scale enterprises in Delta State to a high extent. In supporting the findings, Hai Li, Baiyin Yang, Mian Zhang (2011) investigated on the two functions of organizational culture link to organizational productivity, centering on human resource capability as a mediator and environmental uncertainty as a moderator. The study tested the hypotheses with data collected from representatives of 362 firms the average number of employees was 5,430 (SD=16,999) in China. The findings showed that the two functions of organizational culture, that is, internal integration and external adaptation, play a joint effect on employee's productivity or performance.

Furthermore, the analyzed hypotheses revealed that there is a significant relationship between the organizational culture and employee's behaviour among small and medium scale enterprises in Delta State; and that there is a significant relationship between the organizational culture and employee's productivity among small and medium scale enterprises in Delta State. According to Suri (2012) organizational culture helps in predicting human behaviour in the organizational setting by drawing a clear distinction between individual behaviour and group behaviour. Organizational culture does not provide solutions to all complex and different behaviour puzzles of organizations.

5.1 Conclusion

Organizational culture has received ample attention both in the popular and scholarly press as an important factor predicting organizational effectiveness by inducing employees to behave effectively, and thus bringing about higher productivity among employees. Therefore, Small and Medium Scale Enterprises should manage effective organizational cultures that will engender high performance and productivity.

5.2 Recommendations

The following recommendations were made for the study:

1. Owners of Small and Medium Scale Enterprises should accept the responsibility of not only sharing the values and behaviours suggested by the organizational culture but also embodying these same values and behaviours since it is folly to expect employees' adherence to values and behaviours that are ignored by them.
2. Owners and Management of Small and Medium Scale Enterprises should understand that it possesses the opportunity to create, influence, and utilize these positive effects that can result from a strong organizational culture.
3. Small and Medium Scale Enterprises should provide the employees all information required about the organizational structure as being a member of the organization. The roles and the responsibilities should be clearly defined to the employees of their respective Small and Medium Scale Enterprises. Policies for the hierarchy of communication should be framed by the Small and Medium Scale Enterprises

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