

## Organizational Culture as a Determinant of Non-Governmental Organization Performance: Primer Evidence from Nigeria

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### Abstract

This paper outlines a study carried out to establish an association between organizational culture and the performance of non-governmental organizations (NGOs). Data were obtained from 99 NGOs, randomly selected from the 132 currently operating in Nigeria. The Ordinary Least Square (OLS) method of linear regression and descriptive statistical analysis were used in examining the relationship. The results, overall, revealed a positive association. This led to the conclusion that organizational culture is a potent determinant of performance. This paper therefore suggests that NGOs could leverage on culture as a key organizational resource towards achieving high levels of effectiveness.

**Key words:** Organizational culture; NGO; Performance; Nigeria

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### INTRODUCTION

Given the dynamic environment and continuing insights into sources of organizational performance, profit-oriented and not-for-profit concerns are engaged in a

constant review of what they do and a search for ways of accomplishing their goals effectively. Organizational behavior literature has recognized the importance of culture in this search, and identifies it as a key resource for motivating and optimizing the productivity of the human capital. More than any other factor, culture defines the character of an entity and it influences managerial decision-making, strategy choices and the pursuit of market opportunities in a way that marks one organization from another. More critically, organizational culture is what determines the way members of an organization interact with one another and outsiders (Malhotra, 2011).

The uniqueness of an organization stems from the attitude, values and beliefs of its core people - management and employees. The performance of the organization will therefore depend largely on the ability of these stakeholders to create and grow a culture that encourages flexibility and adaptability to the dynamics of the internal and external operating environments. In this regard, culture is perceived to influence employee behavior and organizational outcomes significantly, as it can make the difference between success and failure for a firm (Wright & Noe, 1996). An organization's culture is made up of relatively stable characteristics (a mix of values, beliefs, assumptions and norms) that it develops over a period of time, and is rooted in deeply-held values to which employees are strongly committed (Robbins, 2001). Just as people's personalities tend to be stable over time, so too do strong cultures develop and become entrenched in the fabric of the organization.

Culture's role in an organization is pervasive and significant. It complements management's rational tools such as the organizational structure, administrative policies and procedures, information systems, technology and strategy. Culture can also support the implementation of an organization's strategy or desired changes in the strategy, just as it may impede the successful implementation of same (Wright & Noe, 1996). It is therefore difficult to escape

from the influence of culture in an organization.

Some organizations have over the years developed cultures which enhance their success, while others have been unable to do so (Robbins, 2006). In view of this, where the culture is strong enough, it will either have positive or negative implications for the organization. Without adequate knowledge and awareness of the nature and influence of the organizational culture, management may not sufficiently utilize this important factor in its decision-making processes towards improved overall organizational performance.

In spite of the significant impact culture has on performance, some organizations, especially non-governmental ones operating in Nigeria give it scant attention. Non-governmental organizations (NGOs) have increasingly assumed prominence as major development partners whose activities greatly complement the efforts of government. Their contribution to the economic growth and development of African countries, for instance, has transited from the largely marginal role of providing peripheral welfare and relief services, which they played in the early post-independence days, to a more forceful role of campaign and support for systemic good governance and stronger public institutions. Apart from this, NGOs have served as the major conduit for disseminating western aid, particularly during periods of national crisis. The US government, for instance, channels about 40% of its aid programs through NGOs to Africa. Together, the NGOs operating in Africa account for the distribution of between 10% and 20% of all aid transferred to Africa (Njoku, 2006).

Indeed, the growing profile of NGOs in recent times has been most manifest in their role as a major development cooperation agent in Africa. They not only bridge the gap between government and the community, but critically help in facilitating the supply of inputs into the governance and management processes, mediation between people, creation and sustenance of widespread political awareness, networking, information dissemination and policy reform (Togbolo, 2005). It is noteworthy that the performance of such organizations determines to a large extent their ability to attract and raise funding and other support from sponsors and development partners. To succeed in their overall goals, it is clear that these organizations need to understand the overall dynamics of the area and system in which they operate. They also must be able to assess, evaluate and even reshape their organizational culture for operational efficiency and effective performance (Reiman & Oedewald, 2002).

This research basically sought to establish the extent to which organizational culture facilitates the performance of NGOs, with Nigeria as the study area. In pursuing this objective, we specifically examined the extent to which culture influences: the number of clients served; access to funding; and, cost-per-service provided by the NGOs.

## 1. THEORETICAL FRAMEWORK AND REVIEW OF LITERATURE

Schein's (1992) organizational culture theory describes the discernable pattern of commonly-held or shared basic assumptions that a group has learned and used over time in the process of achieving internal integration, cohesion and consistency, and external adaptation or environmental consonance which have been successful and therefore considered valid enough to be replicated or taught across the organization, especially to new members, as the correct way to respond or act in solving problems. Organizational culture embodies the solutions created by an organization to confront or tackle the demands posed by its core tasks (Reiman & Oedewald, 2002).

The theory suggests that organizational culture is a learning outcome of a group's experiences, and therefore it is largely an unconscious process (Schein, 1992). Culture is something that evolves and grows over time, and as such cannot be successfully imposed on a system. Attempts to force-on a specific type of culture may actually produce negative results (Kunda, 1992). This essentially makes culture an invention of a group, rather than an existing phenomenon that can be found, identified or discovered. This invention consists of three interdependent components: *ideological* – the ideas, beliefs, values and a definition of what is right or wrong, desirable or undesirable; *technological* – the skills, arts, crafts, artifacts and processes that organizational members use in producing goods and services; and, *consumer* – the infrastructures such as the family, religious, social, professional and other groupings that support human existence and interaction between people (Makwana, 2011). This set of cultural components constitutes a system within which people become influenced through their socialization in particular groups and contexts (Luna & Gupta, 2001). Hofstede (1997) strengthens this argument by proposing that culture influences behavior through its manifestation in the values, rituals, heroes and symbols that are found in an organization. In addition to these representations are the norms, roles and customs used in operating the system. It is within these forms that knowledge, processes and procedures used by the organization are stored, expressed and deployed. Culture provides a stabilizing and unifying force within a system in the common norms and shared identity subscribed to by organization members. These norms help in standardizing actions, facilitating group cohesion and allowing for the prediction of behavior (Reiman & Oedewald, 2002).

In addition to consisting of three components, culture is also characterized by three discernable layers (Schein, 1992). The first layer consists of the: *visible organizational processes* – dress codes, habits and other behavioural manifestations such as absenteeism, accident rate and conformity. Included in this layer also are the firm's MIS, quality, operating, monitoring and control systems

and other artifacts. These components operate at the superficial layer and express the organization's basic cultural description. Although the components of this layer essentially emanate from within, they may however be influenced by factors other than the organization's culture. The second layer of culture is made up of the organization's *espoused values* – the mission, vision, goals, objectives, policies, strategies, rules, methods, procedures and other plans aimed at determining the official norms and agreed direction of the organization. The espoused values are the tools a firm relies upon to provide solutions to its peculiar needs. These elements should therefore shape an organization's decision-making and managerial actions. However, organizational members' actions may sometimes be at variance or in total contradiction with the espoused values. Understandably, an organization's true culture may not always be inferred from them. Indeed, organization members' actions are not only influenced by the espoused values, but by situation-specific, individual and other non-organization related factors. The third layer of organizational culture is made up of the *underlying assumptions* of the firm. This most critical layer consists of the learned solutions a firm uses, over time, in responding to the external environment – for example, in taking advantage of emerging opportunities and warding off or containing threats. These same values are what the firm relies on to ensure the internal consistency and integration of its operations. The underlying assumptions reflect the deepest level of organizational culture and provide the greatest influence on members' perception, outlook and feelings about organization-related issues. The importance of underlying assumptions notwithstanding, the actions of organizational members may not provide sufficient inference for an interpretation of the culture – as such actions may merely be artifacts. Besides this, the national or societal culture may have such an overarching influence that may counterforce the organization's underlying assumptions. Ultimately however, the set of underlying assumptions determine an organization's culture.

Just as there are different perspectives on what organizational culture is, there are divergences in the understanding of how it works. Denison (1990) identified the basic views of organizational culture that can be translated into four distinct hypotheses: *the Consistency hypothesis* – the proposition that a common perspective, shared beliefs and communal values among the organizational participants will enhance internal coordination and promote meaning and a sense of identification on the part of its members; *the Mission hypothesis* – the argument that a shared sense of purpose, direction, and strategy can coordinate and galvanize organizational members' actions toward collective goals; *the Involvement/participation hypothesis* – the proposition that involvement and participation will contribute to a sense of responsibility and ownership, and hence, organizational commitment and loyalty; and, *the*

*Adaptability hypothesis* – the argument that norms and beliefs that enhance an organization's ability to receive, interpret, and translate signals from the environment into internal organizational and behavioural changes will promote its survival, growth, and development.

The hypotheses focus on different aspects of culture, but more importantly, they stress different functions of culture. The consistency and mission hypotheses, for instance, tend to encourage and promote stability, while the involvement/participation and adaptability hypotheses allow for change and adaptability. Furthermore, consistency and involvement/participation hypotheses view culture as focusing on internal organizational dynamics, whereas mission and adaptability hypotheses see culture as addressing the relationship of the organization with its external environment.

These hypotheses about organizational culture correspond closely to Cameron and Quinn's (1999) categorization of organizational effectiveness perspectives and associated types of organizations discussed under the hierarchy, market, clan and adhocracy models of culture. The models assume that six dimensions of culture exist: dominant characteristics; organizational leadership; management of employees; organizational glue; strategic emphasis; and, criteria for (judging) success. Each of the four models has different preferred approaches for each of the six dimensions. *The Hierarchy culture* is substantially based on Weber's theory of bureaucracy (as cited in Etzioni, 1964), in terms of its values concerning tradition, consistency, cooperation, and conformity. The Hierarchy model focuses more on the internal than external issues, and places greater premium on stability and control over flexibility and discretion. It essentially is the traditional *command and control* model of organizations that works well if the goal is to achieve efficiency and the organizational environment is stable and simple. *The Market culture* equally values stability and control, however it focuses more on the external (market) rather than internal issues. This culture tends to view the external environment as uncertain and threatening, and seeks to identify threats and opportunities, as it pursues competitive advantage and profits. *The Clan culture* focuses on internal issues, and values flexibility and discretion rather than seeking stability and control. Its goal is to manage the environment through teamwork, participation and consensus. *The Adhocracy Culture* emphasizes external issues and values flexibility and discretion rather than seeking stability and control. Its key values are creativity and risk taking. Here, organizational structures are temporary or nonexistent; roles and physical space are also temporary.

Although it has been demonstrated that culture is generally a cohesive and unified phenomenon, firms are typically known to have sub-cultures operating alongside the larger organizational culture, and members identify with these strains of sub-cultures based on their shared attri-

butes or characteristics. As shown in the works of Parker; McDonald, Corrigan and Cromie; and Reiman, group formation in organizations usually produces sub-cultures (as cited in Reiman & Oedewald, 2002). Such groupings may arise from a distinction between the nature of function, unit or department, work location, age, gender, education, years spent in the organization or professional affiliation. This sub-culture identification may sometimes be so strong that members belonging to the same group, but in totally different organizations, tend to express greater unity or affinity than with other members of their own organization who fall under different sub-cultures from them. Sub-cultures are so important to the extent that for an organization with a strong culture to become agile, dynamic, adaptive and responsive to the environment, without losing its basis of strength, sub-cultures must be allowed to emerge. It is these sub-cultures that can permit the organization generate responses to a wide variety of issues without compromising its overall internal coherence. Therefore, sub-cultures facilitate organizational flexibility that monolithic and unitary cultures cannot produce (Boisnier & Chatman, 2002).

### 1.1 Organizational Culture Typology

A useful starting point for a discussion of organizational culture types are the sets of classifications outlined by Handy. These classifications are further enriched by those of Sonnenfeld to include: Club; Role; Task; Person; Academy; Baseball team; Club; and, Fortress cultures (as cited in McNamara, 2000). Each of these culture types corresponds loosely with an overall organizational style. Deal and Kennedy (1982) also suggested four classifications of organizational culture, using feedback and risk as the basis for the differentiation: tough-guy macho; work hard/play hard; bet-your-company; and, Process cultures. Further culture typologies are featured in the *Organizational Culture Profile*, where culture is represented by seven distinct values: innovative; aggressive; outcome-oriented; stable; people-oriented; team-oriented; and, detail-oriented cultures. In addition to the foregoing types, organizations may also be characterized as having: *service culture* – which emphasizes high quality service and/or *safety culture* – which emphasizes strong work-place norms (O'Reilly III, Chatman & Caldwell, 1991).

Organizational culture is a somewhat amorphous concept that captures different descriptions and forms. Unanimity in its exact meaning, content and dimension is undermined by paradigm differences. However, Robbins (2006) identifies seven functional primary characteristics that define, aggregate and capture the essence of an organization's culture: *innovation and risk-taking*; *attention to detail*; *outcome orientation*; *people orientation*; *team orientation*; *aggressiveness*; and, *stability*.

In addition to these seven characteristics are other manifestations such as leadership; employee motivation;

communication channels; and reward systems, as well as training and capacity development. The attitude of management towards these issues also reflects the kind of culture that exists in the organization. Each of these characteristics exists in a continuum - from low to high. Appraising the organization on these characteristics then gives a composite picture of the organization's culture. This picture becomes the basis for feelings of shared understanding that members have about the organization - how things are done in it, and the way members are expected to behave.

### 1.2 The Culture-Performance Link

Although there is a common agreement that all organizations need to perform in order to justify and even guarantee their existence, deep divisions have continued to dog an inventory of the elements that precisely describe performance. Defining and measuring organizational performance has therefore been difficult and contentious (Barney, 1991). Nevertheless, Chien's (2004) identification of leadership style and environment, organizational culture, job design, model of motive and human resource policies as the five major factors that determine organizational performance is instructive.

There are four main views on the relationship between organizational culture and performance (SAGE, 2001). The first of these views is that strong culture leads to performance. A second view of the culture-performance relationship suggests a reverse association between the two phenomena, that is, high performance leads to the creation of a strong corporate culture (cultural homogeneity). The third perspective draws upon contingency thinking and suggests that under certain conditions, a particular type of culture is appropriate, even necessary, and contributes to efficiency. A fourth view proposes that an *adaptive culture* is the key to good performance, as it helps the organization respond to changes in the environment. This type of culture is typically characterized by people acting proactively, willing to take risk, trusting each other and working together to identify problems and opportunities.

It is challenging to investigate, test and establish these diverse ideas. The relatively few systematic empirical studies on the culture-performance link invariably lead to the conclusion that none of the four propositions has received unquestionable empirical support (Brown, 1995; Calori & Sarnin, 1991; Siehl & Martin, 1990). Indeed, Siehl and Martin find important methodological deficiencies in the available studies and therefore suggest that the idea of a corporate culture concept cannot be linked simply and tightly to corporate results. To confirm this position, in a study measuring culture and performance of voluntary service organizations, using the amount of money raised as the proxy for performance, Rousseau (1991) found no significant correlation between performance and culture.

However, failure to establish an empirical link does

not mean that no such link exists. This position is reinforced by the fact that culture can enhance an organization's adaptability and therefore its effectiveness and performance (Kotter & Heskett, 1992). For instance, when Calori and Sarnin (1991) interpreted culture as espoused values, instead of behavioural norms, they found that it had a positive link with economic performance, although their results showed a stronger relationship between cultural attributes and firm growth, whereas a weaker one with profitability. More optimistically, Denison (1984) found that organizational culture was correlated with financial performance, in spite of the fact that some of the culture measurement indicators used in that study differed in the strength of their relationship with the performance. For instance, while decision-making and work design were associated with long term financial performance, supervisory leadership was associated with short term financial performance. Although the study showed encouraging results, it was nevertheless criticized for its reliance on employee perceptions - which suggests that the study had obtained a measure of organizational climate rather than organizational culture (Lim, 1995). In their extensive study, Kotter and Heskett (1992) initially found an insignificant correlation between strong culture and long term performance. They subsequently established that firms with cultures suited to their market environment have better performance than those that are less fitted to their environment. Ojo (2009) established that corporate culture affects the level of organizational productivity in a positive way.

An extensive study by Ogbonna and Harris (2000) gave interesting and deeper insights into the relationship between culture and performance by revealing the specific culture types that facilitate such association. Their results showed that all four measures of organizational culture were associated in some way with corporate performance. More specifically, innovative and competitive culture had a direct effect on performance and accounted for approximately 25% of the variance in organizational performance. Both competitive and innovative cultures were externally oriented in line with the assumption that organizational culture must be adaptable to external environment for a sustained competitive advantage. The bureaucratic and community cultures, which were internally oriented, were not directly related to performance. The study was extended in 2002 when the authors analyzed the link between market orientation, organization culture, strategic human resource management and organizational performance. Ogbonna and Harris used the same measures as in the previous study, and found that competitive and innovative cultures have a significant effect on performance, while community and bureaucratic cultures were not related to performance.

### 1.3 Non-Governmental Organizations

Any institution, organization or agency that is established

voluntarily to pursue altruistic goals, without a profit motive and is based largely outside the control or operation of the government structure roughly describes an NGO. Going by this, NGOs may include foundations, trade associations, professional societies, cooperative societies, consumer groups, multinational corporations and religious organizations (O'Dwyer & Unerman, 2008). Although different definitions have been attempted, however the underlining features are that such groups emerge from the civil society and are made up of people who share a common purpose and are not driven by commercial considerations, but at the same time are organized formally and operate under a self-governing system (Hulme, 2001).

Owing to increasing awareness and an acknowledgment that the voluntary sector is better positioned to understand, empathize and articulate the needs and aspirations of the more vulnerable proportion of the population, NGOs have steadily grown in importance and centrality to national life, especially in developing countries. The efforts of NGOs have also been dominant in the provision of basic social services aimed at relief of suffering; promotion of the interests of the poor and vulnerable; development of remote communities, encouragement of changes in attitudes, beliefs and practices necessary to curb discrimination; nurturing and development of the capacity of local and indigenous people; and, identification of threats to and protection of the environment (Shah, 2005).

A number of factors drive the activities of NGOs, as identified by Salamon (1994): intrinsic grassroots energies of people; outside pressures from the actions of existing public and private institutions; and, pressures from government policies and actions. Furthermore, four crises and two developments have served to fuel the emergence of the NGO as a major force: the decline in the wherewithal of hitherto welfarist states, beginning in the 1970s and culminating in the Soviet bloc disintegration by the early 1990s; the global recession of the 1980s precipitated by the oil crisis of the 1970s, which demanded *assisted self-reliance* or *participatory development*; the increased dominance of private initiative in most spheres of life across the world; the search for a new way of addressing unmet social-economic needs of people – in which NGOs key perfectly into by offering appropriate platforms for people's expression; the continuing ICT revolution which started seriously in the 1980s; and the creation of a new upper-middle class following the global economic boom of the 1960s and 1970s. Garilao (1987) also suggested a number of developments have helped NGOs become prominent in recent times. These include: rising societal tension and conflict; a need to respond more effectively to crisis situations in the face of a weakening or breakdown in the traditional and formal government structures; the growing ideological differences between government operatives and other societal stakeholders; and, a realization

that neither government nor the private sector has the will, resources or capacity to resolve the existing social issues.

NGOs have generally evolved or transited through three basic generational phases (Korten, 1987). In the first phase, spanning from the 1960s through the 1970s, NGOs mainly focused on offering relief and welfare by providing goods and services that are in short supply to individuals and families to deal with immediate crisis situations or address the short term problems. The second phase, spanning the 1980s through the 1990s, features NGOs focused mainly on galvanizing local energy towards self-reliance through training and other capacity-building measures delivered to clients in neighbourhoods or communities using mid-term community self-help initiatives (programmes and projects). The third phase, covers the late 1990s to the present times, and has NGOs mostly concentrating on solving institutional problems and policy constraints towards the sustainable development of formal societal systems and structures, through the introduction and institutionalization of strategic reforms on a long or indefinite term basis. These phases, though seemingly distinct in features; however tend to overlap in certain cases. For instance, the intervention in communicable diseases, though associated more with the first phase of relief, has actually crisscrossed the other phases, owing to continued institutional weaknesses in most parts of the developing world. NGOs may also be identified in terms of their focus, their orientation or the scope or level of their operations. In terms of focus, an NGO may be a: relief or welfare agency; technical innovation organization; public service contractor; self-help organization; or, advocacy group or network member. Furthermore, NGOs may have any of the following operating orientation: charity; service; participation; or, empowerment. In terms of the level of operation, an NGO could be a: community-based organization; city-wide organization; national organization; or, international organization (Togbolo, 2005).

## 2. METHODOLOGY AND MATERIALS

The present study basically sought to establish an association between organizational culture and the performance of NGOs. Data for the study were obtained from 99 NGOs, randomly selected from the 132 currently operating in Nigeria. The population frame for the study was derived from the United Nations Office on Drugs and Crime (UNODC, 2011). Data used in the analysis were restricted to the period between 2005 and 2010. In carrying out this study, the researchers first identified a

number of relevant functional sub-variables with which to approximate organizational culture. Drawing from the elements earlier outlined by Keider (2008) and Malhotra (2011), a list of items that have implications for the work environment, management leadership, results orientation, consumer focus, technical success and organizational stability were organized and research questions formed around them. Specifically, the items considered were: innovation; risk-taking; openness to new or novel ideas; a positive attitude towards change; people orientation; team orientation; openness, communication and support; goal or outcome orientation; focus; individual autonomy; responsibility; delegation; employee input in decision-making; performance reward; incentive to work on new idea; high-risk, high-return encouragement; aggressiveness; customer orientation; adherence to high standards and values; excitement, pride and esprit de corps; commitment; stability; and, rituals. These sub-variables constituted the organizational culture inventory used in the study. The responses received from the sample 99 NGOs were used in testing the degree of relationship between the research variables. The Ordinary Least Square (OLS) method of linear regression and descriptive statistical analysis were used in establishing the relationship.

## 3. MODEL SPECIFICATION

In establishing a relationship between organizational culture and the performance of NGOs, the model used is expressed as follows:

$$\text{NOC} = X_0 + x_1 \text{CULTURE} + x + e_t \dots \dots \dots (1)$$

$$\text{FUNDING} = X_0 + x_1 \text{CULTURE} + x + e_t \dots \dots \dots (2)$$

$$\text{CPS} = X_0 + x_1 \text{CULTURE} + x + e_t \dots \dots \dots (3)$$

Where  $x_1 > 0, x_2 > 0, x_3 < 0$

Where organizational performance is measured by number of clients served (NOC), access to funding (FUNDING) and cost per service provided (CPS) –the dependent variables in the models. Organizational culture rating is the independent variable in the models. These measures are observable characteristics that may have been influenced by organizational culture in the NGOs. The error term,  $e_t$ , represents some residual contributions to organizational culture arising from errors in the measurement of the organizational performance.

## 4. RESULTS OF ANALYSIS

**Table 1**  
**Least Square Regression Results – Organizational Culture and Number of Clients Served**

Variables	Estimated coefficient	Standard error	t- value	Sig.
Constant Term	4.238	0.718	5.903	.000
No of clients	2.947	0.123	5.384	.007
R		0.953		
R <sup>2</sup>		0.906		
Adjusted r <sup>2</sup>		0.891		
F-Statistic		23.147		

Predictors: (Constant), Number of clients served

Dependent Variable: organizational culture

Source: Researchers' estimates, 2011 (from SPSS results)

**Table 2**  
**Least Square Regression Results – Organizational Culture and Access to Funding**

Variables	Estimated coefficient	Standard error	t- value	Sig.
Constant Term	2.731	0.876	3.117	.002
Funding access	2.167	0.116	4.433	.002
R		0.862		
R <sup>2</sup>		0.744		
Adjusted r <sup>2</sup>		0.711		
F-Statistic		22.053		

a. Predictors: (Constant), access to funding

b. Dependent Variable: organizational culture

Source: Researchers' estimates, 2011 (from SPSS results)

**Table 3**  
**Least Square Regression Results – Organizational Culture and Cost Per Client Served**

Variables	Estimated coefficient	Standard error	t- value	Sig.
Constant Term	4.434	0.367	12.087	.000
cosperclient	-.110	0.079	-1.389	.168
R		0.815		
R <sup>2</sup>		0.664		
Adjusted r <sup>2</sup>		0.650		
F-Statistic		19.929		

a. Predictors: (Constant), cost per service provided

b. Dependent Variable: organizational culture

c. Source: Researchers' estimates, 2011 (from SPSS results)

**Table 4**  
**Benchmark (Tabulated Values) Using Two-Tailed Test**

Table F- Statistic $F_{0.05}(1,98)$	3.84
Table F- Statistic $F_{0.01}(1,98)$	6.63
Table Value t-value $t_{0.05}(N-k=98)$	2.042
Table Value t-value $t_{0.10}(N-K=98)$	1.697

Source: Gujarati (2005).

Results of analysis of data obtained during the study revealed that for 73.74% of the respondents, a reinforcement of the organization's culture yields positive results

in the form of a significant increase in the overall number of clients served across the projects or programmes of their NGO. The study results also showed that 69.70% of the respondents saw a clear link between organizational culture and increased access to funding. Similarly, 66.67% of the population associated organizational culture to a decrease in the cost per service provided by their organization.

From the first model, the constant term is positive. This shows that the number of clients served, is positively affected by organizational culture. The adjusted  $r^2$  is 89.1%. The goodness of fit is acceptable and statistically significant. This means that organizational culture has a

strong linear relationship with organizational performance in NGOs - measured by the number of clients served. The F-statistic is 23.147. This is high and statistically significant at 5% level of significance. The F-ratio confirms that organizational performance is statistically related to the independent variable in the model.

The result from the second model showed a positive sign for the constant term. The estimated coefficient of the dependent variable, access to funding, indicates a positive relationship between organizational culture and performance. The important implication of this result is that, holding all other explanatory variables constant, an increase in 1 unit of organizational culture rating will result in an increase of 2.167 Naira funding accessed by an NGO, all things being equal. The t-value of access to funding is higher than the table value and statistically significant at 5% level. The adjusted coefficient of determination is 71.1%. This indicates a very strong relationship between organizational culture and corporate performance measured by access to funding. This means that 71.1 percent of the variation in the performance of NGOs measured by access to funding can be explained by the explanatory variable. The F-statistic is 22.053. This is very high and statistically significant at 5%. This result confirms a strong relationship between organizational culture and the performance of NGOs, using access to funding as the measure.

The regression result showed a positive sign for the constant term in the third model, while the estimated coefficient of the cost per service provided by NGOs is negative. The important implication of this result is that the dependent variable here, cost per service provided (CPS), is negatively affected by the organizational culture. This means that a unit increase organizational rating will lead to a decrease in cost per service provided. The adjusted  $r^2$  is 65.0 percent. This is a good fit. The F-Statistic is 19.929 and higher than the table value at 5% level of significance.

## 5. RESEARCH HYPOTHESES

Results of the three hypotheses developed for this study are outlined as follows:

H1: *There is a significant relationship between organizational culture and the number of clients served by NGOs.*

The results show a t-statistic of 5.384. This indicates a positive relationship between organizational culture and the number clients served by NGOs. This is further confirmed by the high value of F-statistic which is higher than the tabulated or theoretical value.

H2: *Organizational culture has a significant effect on access to funding by NGOs.*

The result shows that the estimated t-value in the equation is 4.433. This indicates a significant relationship between organizational culture and access to funding by

NGOs.

H3: *There is a significant relationship between organizational culture and the cost per service provided by NGOs.*

The test result indicates that the t-value is -1.389. This indicates a negative relationship between organizational culture and cost per service provided by NGOs. This result is insignificant at 5% level.

## 6. DISCUSSION OF FINDINGS

The results of this present study, which used the *number of clients served, access to funding and cost per service provided* as proxies for performance, have demonstrated conclusively that organizational culture is significantly related to the performance of NGOs. Although the various studies that have so far been carried out on the relationship between organizational culture and performance have employed a wide array of research variables as parameters for examining the link, it is instructive that several of the findings have been able to establish relationships of varying degrees between both sets of variables (Denison, 1984; Kotter & Heskett, 1992; Marcoulides & Heck, 1993; Ogbonna & Harris, 2000, 2002; Ojo, 2009). Our study findings also agree with the conclusion that a strong and discernable organizational culture leads to good organizational performance, arising from earlier empirical studies carried out by Goldsmith and Clutterbuck, Peters and Waterman, and Heller (as cited in Mullins, 2002).

Of critical importance is our finding in this study that organizational culture enhances NGOs' ability to access funding for their operations and programmes. This finding contradicts Rousseau (1990), who concluded that there was no significant correlation between culture and the amount of money raised by voluntary service organizations (NGOs). As this present study revealed, the perception of the way things are done in an NGO is a major factor that influences or reinforces a decision to invest in that organization.

## CONCLUSIONS

NGOs have come to fill the gap in service delivery that governments and other formal societal structures have been unable to respond sufficiently to. Their influence and depth of involvement as development partners, catalysts and facilitators of socio-economic transformation in countries around the developing world is unarguable. As the local communities, and even government, continue to increase their dependence on the efforts of NGOs, the expectation of better performance by them begins to rise sharply. This then creates the need to vigorously explore, understand and exploit the factors that could facilitate their effectiveness. Since organizational culture has become firmly identified as a potent corporate resource



or instrument of strategic advantage, it is imperative to examine and understand its impact on the performance of NGOs.

This study has shown that improvement in organizational culture leads to better performance by NGOs. Our findings revealed a number of culture variables to be of particularly influential value in driving the performance of NGOs. These include: outcome orientation; commitment of members to a common set of values, beliefs and philosophy; involvement of employees in decision-making; individual autonomy; people-orientation; and, customer focus. With this revelation, NGOs can focus and leverage on these specific variables towards improving their overall organizational culture.

In spite of the fact that this study appears to confirm a number of known findings, it is nevertheless instructive that it has provided conclusive proof, based on empirical evidence, of the impact of organizational culture on the performance of NGOs. Furthermore, as a pioneering study on the association between culture and performance of NGOs, especially in sub-Saharan Africa, this paper is a primer that is expected to galvanize scholarly interest and further research.

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