

Effect of Organizational Values on Employee Performance a Case of Urban Roads Authority

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Abstract: *Organizational culture represents the collective values, beliefs, and principles of organizational members and is a product of such factors as management styles, communication styles, teamwork, employee commitment and organizational values. This study sought to investigate effect of organizational values on employee performance in Kenya Urban Roads Authority. The study adopted the case study research design with a target population of 134 employees. A census was carried out since the target population was relatively small. Piloting was done on 20 employees to test the reliability of the research instruments. Data was collected by use of scientifically designed questionnaire and analyzed by descriptive statistic using the statistical package for social science (SPSS software). The findings revealed that there is a significant positive effect of organizational values on employee performance and how it influenced employee performance at Kenya Urban Roads Authority. Based on these findings, it was recommended that: The organisation need to develop a better understanding of organizational values concepts and try to build a stronger organizational values. The values should also be communicated to the employees.*

Keywords: Organizational values, Honesty in dealings, Excellence and quality, Professionalism, Employee Performance, Kenya Urban Roads Authority

1. Introduction

Organizations are continuously faced with complex and changing environment that has forced them to address issues on changing customer needs, consolidate market positions and expand into new segments and geographies. Moreover, globalization, digitization, shift in economic growth regions, changes in energy costs and adoption of newer technologies across industries has created this changing and complex environment. The success of this effort is the development of a particular culture for the organization (McKeown, 2004), that needs the nurturing of employees attitude, commitment and responsiveness, seeking a positive culture to develop a strong human resources (Buchanan, 2007).

The concept of organization culture dates to its roots from the 1980s, when it caught the attention of business managers and consultants, and facilitated the academic interest in culture through theories of social sciences and anthropology. The release of books like "In Search of Excellence" by Tom Peters and Robert Waterman, and "Corporate Cultures" by Terrence Deal and Allen Kennedy heralded a torrent of other organizational culture books, articles and conferences aimed at the market, which resulted in identifying and addressing cultural issues that were deemed to be hindrance to business success (Yusof, Said and Ali, 2016). This awakened business interest in organizational culture that incited management theorists to develop a body of theory and research that sought to explain the role of culture in organizations.

The organization culture influences the performance of employees in an organization, that varies from organization to organization, and therefore affects performance, leading to need for it to be controlled and changed when necessary (Buchanan, 2007). Culture being the shared norms and values of a social system forms the most important aspect of a society, (Cotgrove, 2012). According to Hofstede (2008) culture is conceptualised as an aggregation of attitudes, values, norms, style, and consumption, and the general

world view of life; whereby its perception, expression and utility by people that identify that distinguish them from other people.

Organizational culture is very important in determining the success of the organization. It is the environment in the workplace formulated through the interaction of employees at work. Organizational culture can be learned in the social environment and can encourage the innovative behavior among members of the organization (Alkailani, Azzam and Athamneh, 2012). In today's environment, organizational culture is used as a powerful tool to quantify the way a business functions (Gray, 2003). According to Chow (2007) organizational culture is an important theme in management and business research for the past few decades, because of its potential effect in a range of organizational and individual desired outcomes such as commitment, loyalty, turnover intent, relationships, behavior and satisfaction. This deeply guides the behavior and action of individuals thus influencing them. An organization with unique culture has diverse culture that co-exists due to different characteristics of different departments and teams as is the case of Kenya Urban Roads Authority. This study considers organizations as struggling to change culture but have failed to understanding the role of culture, organization, management and employees (Carter, 2000).

Most scholars agree that organization culture is rooted on the relationship of individuals and with the consensus that corporate culture is a management philosophy and a way of managing organizations to improve their overall effectiveness and performance. This study will confirmed that organizational culture is able to influence the thoughts, feelings, interactions, and performance in organizations. Organizational culture is therefore a significant contextual factor in performance management and is scarcely studied.

Performance has been perceived differently by various researchers, but most of the scholars relate performance with measurement of transactional efficiency and effectiveness

towards organizational goals (Stannack,2006; Barne,2011).The job of an employee is build up by degree of achievement of a particular target or mission that defines boundaries of performance (Cascio,2006). Certain researchers have identified different thought, attitudes and beliefs of performance as it helps in measurement of input and output efficiency measures that lead to transactional association (Stannack, 2006).

Performance management is a fundamental human resource management practice that supports the view that employees and managers benefit from the understanding of organizational culture as a contextual factor. Although, many researchers have examined the link between organizational culture and performance, not much research has been done on organizational culture as a contextual factor of employee performance It is against this background that the researcher sought to conduct a study to find out the effects of organizational culture on employee performance in the context of Kenya Urban Authority, in Nairobi County, Kenya.

Kenya Urban Roads Authority is a State Corporation established under the Kenya Roads Board Act, 2007, the Act of Parliament, with the responsibility for the development, maintenance, rehabilitation and management of urban roads in Kenya. It is a service provider, focused on meeting the needs of Road- Users in urban set-ups in the country. It is one of the roads agencies, besides KENHA and KERRA, in Kenya, that came into its full operation in January, 2009 and has since then made a lot of progress as far as its mandate is concerned. In the recent past, KURA has come up with a Strategic Plan with a clear vision and mission including its Core Values, which have assisted it in achievements of its key objectives geared towards Vision 2030 government plan, and also resulting into a viable, professionally run Road Agency. The Authority enjoys an independent, dynamic, result oriented culture and a flexible and innovative approach. This makes it to offer a service built on personalized and tailored made accessibility and travelling solutions.

2. Statement of the problem

Organizational values plays a crucial role in shaping behavior in organizations, and focuses on those forces that include structures, processes and incentives. It determines the way employees interact and relate to one another, healthily compete, accomplish their tasks, unite and work as a team, implement organization policies, and carry out their role and responsibilities at workplace. Without effective organization culture, an organization cannot achieve its goals, and therefore plays crucial role in development of the organization, and impacts on the level of employees' satisfaction towards organization culture measures (Kennedy,2010).

Organizational Culture manifested in beliefs and assumptions, values, attitudes and behaviors of its members is a valuable source of firm's competitive advantage since it shapes organizational procedures, unifies organizational capabilities into a cohesive whole, provides solutions to the problems faced by the organization, and, thereby, hindering

or facilitating the organization's achievement of its goals (Yilmaz, 2008).According to Kandula (2006) the key to good performance is a strong culture. He further maintains that due to difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. According to Dave and Urich, (2011) Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the "rules of the game" for decision-making, structure and power. It's based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business here and the organizational survival tactics that facilitate assimilation and personal success.

Cascio (2006) mentions that, performance is the degree of an achievement to which employees fulfil the organizational mission at workplace. He continues to say that the job of an employee is build up by the degree of achievement of a particular target or mission that defines boundaries of performance. Organizations have a culture that has resulted into values, systems, myth and practices that have been developed over time. This determines the trend of perception, attitude and behaviors of an employee towards work related issues and problems they are faced with therefore the organizational culture is extremely fixed with the social controls that influence employee's decisions and behavior.

This study attempted to assess the effectiveness of organization culture measures provided by Kenya Urban Roads Authority. The employee performance at Kenya Urban Roads Authority will therefore depend on the strength and weakness of the culture of organization in place. The organizational culture works as a social glue that bonds together employees with shared beliefs and values which positively contribute to the improvement of employee performance. The key to good performance is a strong culture according to Kandula (2006).It has been considered as a driving force to improve employee performance through enhancing self-confidence, commitment and ethical behaviors of employees thus reducing work stress (Saffold,1998). According to Deal and Kennedy (2012), a weak culture of an organization could be a stumbling block to employee performance. However it's not clear how these should be embraced in order to positively contribute to employee performance.

Despite the strong relationship between organizational values and performance, most organizations in Kenya still put more emphasis on the intrinsic and extrinsic reward systems and thus disregarding the traditional cultural activities. However limited research on organizational culture and performance has been conducted in Kenya. To bridge the existing gap, this research intends to explore the effect of organizational culture on employee performance in Kenya Urban Roads Authority. The nature of organizational values embraced at Kenya Urban Roads Authority limits employee participation in organizational activities such as

decision making, planning, evaluation and procurement of works and personnel, all of which are key to employee performance. No study has so far been conducted to assess and ascertain how organizational values affects performance of employees in this organization. It is in this context, that this study was carried out to determine the effects of organizational values on employee performance at Kenya Urban Roads Authority.

The General objective of the study

The general objective of this study was to investigate the effect of organizational values on employee performance with a case study of Kenya Urban Roads Authority

The Specific objectives of the study

- 1) To investigate the effect of honesty on employee performance at Kenya Urban Roads Authority
- 2) To investigate the effect of excellence and quality on employee performance at Kenya Urban Roads Authority
- 3) To investigate the effect of professionalism on employee performance at Kenya Urban Roads Authority

3. Theoretical Review:

Edgar Schein Theory of Organizational Culture

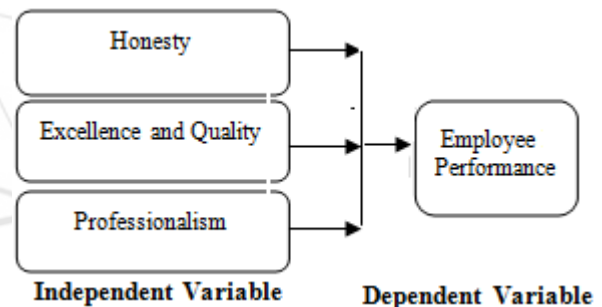
Edgar Schein (1980) developed an organizational culture model to make culture more visible within an organization. Edgar Schein also indicated what steps need to be followed to bring about cultural change. Schein's model of organizational culture is not only one of the most cited culture models but also one that serves a high degree of abstraction and complexity reduction. This theory aims to explain how organizations adopt culture over a period of time. According to Edgar Schein(1990) organizations do adopt culture on a single, form it over a period of time as employees go through various changes, adapting to the external environment and solving problems thereof. The gain is realized from their past experience as the start practicing it daily thus forming the workplace culture. The new employees will also strive hard to adjust to the new culture and enjoy a stress free life. Schein (2004) further suggested a view of organization culture based on three levels of culture: the Artifacts; espoused beliefs and values, and basic underlying assumptions, and their relationship.

The Artifacts are the most visible level of the culture that constructed the physical and social environment, and are the surface level of an organizational culture that are tangible, easily seen and felt manifestations. This include among others products, physical environment, language, technology, clothing(Dress Code of employees), myths and stories, published values, rituals and ceremonies, employee behavior, mission and vision of an organization all of which decide the workplace culture (Schein, 2004).Espoused beliefs and values are the next level of organizational culture that include strategies, goals, shared perceptions and assumptions, norms, beliefs and values instilled by the founders and leaders, play an important role in deciding Organizational culture.The espoused values cultural learning reflects someone's original values. Values and beliefs become part of the conceptual process by which group members justify actions and behaviour.

Basic underlying assumptions are the base level of the organizational culture, which are deeply embedded, unconsciously held learned responses. They look at the solutions to a problem that works repeatedly as it comes, and therefore it should not be taken for granted. They are implicit assumptions that actually guide behaviour and determine how group members perceive, think and feel about things. Schein (1990) suggested that the basic assumptions are treated as observed manifestations of the culture essence. He defined a formula used to interpret most visible symbols of a culture. It is important to note that espoused beliefs and values may only be reflect the aspirations of a culture, and organizational culture being atmosphere that pervades the interior of the company. This theory is relevant to this study because it aims at explaining how organisations adopt culture over a period of time and the three levels of organisational culture and their effect on employee performance.

4. Conceptual Framework

The study adopted the following conceptual framework:



Source: Author 2017
Conceptual framework

5. Organizational values

Organizational values are the acceptable standards which govern the behavior of individuals within the organization, lack of which may lead employees' behavior being influenced by their personal values resulting in unacceptable behavior to the organization. Such personal values not in alignment with the organization's, lead to making wrong decisions for the organization, that will impact the culture more than any amount of communication, and thus negatively affects performance.

Some research findings have shown that many best companies adhere to core organizational values, and their performance improves when the values are shared with employees, and by examining how organizations should communicate its values and incorporate them into its system. Organizational values and their relations to organizational performance (Fitzgerald & Desjardins 2004).

Since organizational culture is majorly influenced by the organizational system of values that is widely held throughout the organization, values will eventually affect the way customers are perceived and treated, the way employees and shareholders are viewed and awarded, and the way the future is anticipated and managed. These values play a critical role in the success of an organization (Odom &

Dunn, 1991), and are the standards that guide employees conduct in variety of settings. They may be thought of as a moral compass for the organization's business practice. According to Pruzan (2001) in smaller organizations, the behavior of individuals is much more visible than in larger, disparate ones, since unacceptable behavior can be challenged openly. In a case study that analyzed the communication of organizational values and their relation to employee outcomes in the Respiratory Care Department(Group A) and Radiology Department (Group B) within a health care organization, Group A discussed values regularly, identified behaviors supporting values, and used those behaviors in performance reviews. Group B simply distributed the values to employees without further clarification or discussion. The 29 employees in Group A and 45 employees in Group B were then surveyed regarding nine organizational values(Patient-Centered Care, Continuous Learning, Community, Communication, Collaborative relationships, Diversity, Human Resources, Organizational Ethics, and superior Performance) and six employee outcomes(employee satisfaction, turnover rate, absenteeism, employee morale, involvement in decision making and employee performance evaluations).

From the study findings, Group A employees that had clearly defined and communicated the values perceive they are more involved in the organization and in the decision making process, whereas Group B employees that did not clearly communicate the values was found to have a lower turnover rate and a higher percentage of employees with exemplary performance ratings . The implications for such practice are that an organization can benefit from integrating organizational values into every employee-related process, including hiring, performance reviews, and promotions and rewards, and frequently reminding employees that the values form the basis for decision making; and regularly promoting the values by maintaining actions that are consistent with them. Robbins and Sanghi (2007) further asserts that the similar organization culture with different backgrounds has common set of values and beliefs to be effected by organization systems The attraction of organization values have a strong affect upon performance and sustainability. According to Stewart (2010), the values and norms of employees impact upon sustainable performance and management of organization culture as it leads to attainment of profitability.

6. Research Methodology

A case study research design was the most appropriate method that was applied because it provides in-depth information in addressing the objectives of the study of the selected organization. Case studies emphasizes detailed analysis of a limited number of events or conditions and their relationships, (Yin,1997). Time and availability of data are also important considerations in the determination of the case study. the case study research design was the most appropriate method that was applied because it provides in-depth information in addressing the objectives of the study of the selected organization.

Table of Target Population

Population Category	Population Size
Customer Service	6
Corporate Social Responsibility	6
Finance	20
Design and Construction (Road and Structures)	18
Transport	20
Procurement	18
IT	8
Human Resource	12
Maintenance Road and Structure	36
Total	134

Source: (KURA, 2015)

The questionnaires were used to collect data in this study. The questionnaires contained a series of structured questions that were related to the research work and directed to respondents with the aim of gaining first-hand information. The questionnaire consisted of both open ended and close-ended questions. Thus, in some cases, respondents chose the options that best reflect their opinions. The questionnaire afforded respondents much flexibility and privacy in answering the questions without any undue influence. Qualitative analysis was done on the information collected from the results of the questionnaires; quantitative analysis was included, both descriptive and inferential statistical techniques were used. Descriptive statistics was used to analyze the quantitative data. The findings were presented using tables, graphs and pie charts.

7. Results and Discussions of the findings

Organizational values

Table of Descriptive Statistics on Organizational values

	Mean	Std. Deviation
The organisation rewards us for excellent work	3.9953	.82313
The organisation promotes honesty in its dealings	3.3256	.94525
The organisation encourages us to adhere to the moral, ethical and professional code of practice.	2.6729	.47026
The organisation has implemented different programmes to ensure delivery of safe and efficient service.	3.6698	.47139

Respondents were required to indicate their level of agreement with various organizational values aspects. Items that were measured on a five point Likert -Type scale ranging from 1 being "Strongly Disagree" to 5 being "Strongly Agree". Means of between 2.6729-3.9953 and standard deviations of between 0.82313-0.94525 were registered. It was clear from the study findings that the organisation rewards employees for excellent work (3.9953).However majority of the respondents indicated that Kenya urban roads authority encouraged employees to adhere to the moral, ethical and professional code of practice.The findings are represented in the table above.

8. Summary of the findings

The research set out to determine the effects of organizational values on employee performance.. The

specific objectives of the study were: To determine the effect of honesty on employee performance, to examine the effect of excellence and quality on employee performance, to investigate the effect of different styles of professionalism on employee performance. The performance indicators included job satisfaction, quality of services, minimal supervision and target achievement.

The study was a case study of Kenya Urban Roads Authority where employees were targeted. A sample of 134 was selected using the census sampling technique. This research relied on primary data which was collected using semi structured questionnaires. The questionnaires were self-administered by the researcher and two research assistants. The researcher managed to obtain 110 completed questionnaires out of 134 administered hence a response rate of 82%. Cronbach's alpha Coefficients were obtained to establish the reliability of data. The coefficients were above the required 0.7 hence accepted.

With regards to Organisational values, Research findings revealed that the organisation rewards employees for excellent work (3.9953). However majority of the respondents indicated that Kenya urban roads authority encouraged employees to adhere to the moral, ethical and professional code of practice. The research findings also revealed that that Kenya Urban Roads Authority encouraged employees to do others jobs when called upon by the supervisors (3.9907). Further, the findings revealed that there is efficient connectivity within the organisation hierarchy. Majority of respondents also indicated that employees at the Kenya urban roads authority were encouraged to offer suggestions on how to improve productivity thus employees in the organisation felt involved in the organisation.

9. Conclusions

The study revealed that organizations with organizational values that are communicated constantly to the employees and are modelled in their work behaviours have a positive effect on employee performance. This concurs with Odon and Dunn (1991) who stated that organisational values play a critical role in the success of an organisation. This is further supported by Fitzgerald (2004) who stated that companies which adhere to core organisational values improve their performance when the values are shared with their employees.

10. Recommendations

There is also need to ensure that organizational values are communicated constantly to all employees and adhered to by all so as to govern the behaviours of all individuals in the organization and recognize employees' skills and abilities and encourage them to develop efficient ways to do their work. The organization should design an effective team formation process to enhance teamwork and constantly reward team performance. This should involve employees in the decision making process so as to allow effective implementation of the decision.

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