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Effect of Organizational Culture on Performance of Companies Listed in Nairobi Securities Exchange in Kenya

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Abstract
Companies listed in Nairobi Securities Exchange in Kenya are faced with organizational culture challenges that need to be addressed in order to be more profitable and gain investor confidence as they trade in NSE. The study objective was to establish how organizational culture affect performance of companies listed in NSE and the null hypothesis was that organizational culture does not significantly affect performance of companies listed in NSE. The study used a cross sectional survey design on 64 companies with a sample of 38 companies covering five years (2013-2017) as at 30th June, 2017. Purposive sampling technique was used on 4 senior managers namely, Chief Executive Officers, heads of divisions in Human Resource, Finance and Marketing. Semi-structured questionnaire was administered and the response rate was 79%. Pre-testing was conducted on 15 respondents and reliability coefficient was above the recommended threshold of 0.7. Secondary data was obtained from published sources and primary data was obtained from the semi-structured questionnaire. Data was analyzed by descriptive and inferential statistics. Organizational Culture results showed that there was significance positive effect between the two variables with or without moderator technology with p-value < 0.001 CL=95%, the null hypothesis was rejected and alternative hypothesis was adopted. The results and findings concluded that organizational culture is flexible and has the ability to adapt to changes in internal and external environment. The study recommended that management of companies should

address the organizational culture as it affects the employees and performance of companies listed in NSE.
Keywords: Organizational culture, Nairobi Securities Exchange (NSE), Performance of Companies in Kenya.

Background of the Study
Companies listed in Nairobi Securities Exchange in Kenya are faced with organizational culture challenges that need to be reviewed in order to be more profitable and gain investor confidence as they trade in the stock market. Changes that have been brought about by the use of information technology has made most of organizational cultural issues to be overlooked with more focus being directed towards areas that do not matter and have no positive significant effect on performance (Davidson, 2003). Denison (2000) model indicates that there are four key cultural traits namely: involvement, consistency, adaptability and mission. Involvement culture refers to the degree to which individuals at all levels of the organization are engaged in pursuit of the mission and work in a collaborative manner to fulfil organizational objectives. This trait consists of building human capability, ownership and responsibility. Consistency culture refers to the organization's core values and the internal systems that support problem solving, efficiency and effectiveness at every level and across organizational boundaries. Adaptability culture refers to the ability of the company to scan the external environment and respond to the ever-changing needs of its customers and other stakeholders. Mission refers to the degree to which the organization and its members know where they are going, how they intend to get there and how each individual can contribute to the organization's success (Denison, 2000).
Corporate performance is an approach of market mechanism by which the company actively interacts with the financial factor and customer product markets (Simons, 2000). That in the financial market, corporate performance strives to satisfy shareholders and creditors in the form of financial indicators. Net profit may be calculated before or after the subtraction of taxation (Tulsian, 2014). Corporate dividend policy refers to determining the amount to be paid to the shareholders and that to be retained in the company to reinvest in profitable projects or for retention in case of future needs (Ross, Westerfield & Jaffe, 2005). Return on investment (ROI) refers to the measure of profitability that indicates whether or not a company is using its resources in an efficient manner and it is expressed in percentage (Best, 2009; Drury, 2007; Moutinho & Southern, 2010).
This study will therefore enable greater realization of the importance of organizational culture in enhancing corporate performance among companies listed in the NSE. It will outline the various aspects that are key for consideration such as involvement, consistency and adaptability cultures as well as mission. This will enable companies to adopt affective culture strategies for enhanced competitive advantage and profitability. The findings of the study will enable the companies listed in the NSE to adopt appropriate internal policies that enable proper change management that optimizes on organizational culture, this will enhance ownership and sustainability of such change initiatives. The study will also give insight to scholars and identify areas that need further investigation. The study is anchored on Denison (2000) model of culture and will therefore test its preposition that that values and beliefs of an organization leads to a set of management practices aimed at enhancing organizations effectiveness and performance.

Statement of the Problem

Globally, most organizations have not been able to address well the challenges of organizational culture and its effects on performance to gain profitability. Organizations trading in NSE in Kenya too have experienced challenges emanating from an organizational culture that has had difficulty in realigning to the changing business environment and be profitable. This has brought resistance and misunderstanding among employees which has affected performance of companies listed in NSE that has seen dissatisfied customer look for substitute goods and services that are of higher quality a gap this study addressed.

The Capital Markets Authority (CMA) is charged with licensing and regulating the capital markets, approving public offers and listings of securities traded at NSE (CMA, 2002). And every Capital Markets Authority is different from country to country. Companies are suspended from trading in NSE because of poor financial performance and when companies record reduced revenue and earnings, it reflects that the economy is doing badly and urgent remedial measures is required to turnaround their loss to profitability. This study is important because it addresses the pertinent issues affecting employees and the company's growth in a turbulent changing business environment that requires an organizational culture review if it has to overcome these challenges and have a good financial performance. Failure to look at organizational culture in a changing business environment has led to losses and suspension of companies from trading in NSE by Capital Markets Authority as they have failed to bring investor confidence and meet customers' needs. This study intends to establish the effect of organizational culture on performance of companies listed in NSE in Kenya.

Beshtawi and Jaaron (2014) study focused on change management in telecommunication sector. They used forty two semi-structured interviews on 23 managers and supervisors and 19 line employees in Palestine. Their study did not use both non-financial and financial indicators to measure performance. By (2005) study used a critical review of theories and approaches to organizational change management. This study was not an empirical test. Irungu (2007) study focused on the effect of top management teams on performance of publicly quoted companies in Kenya. His study was longitudinal survey on 47 companies in NSE in Kenya for a period of 5 years (2001-2005). Machuki (2011) study focused on external environment-strategy co-alignment, firm level institutions and performance of public quoted companies in Kenya. His study was longitudinal survey but on 53 companies for a period of 5 years (2005-2009).These failed to consider organizational culture. The studies did not adopt sample size and sampling procedures which the current study used with a target population of 64 companies listed in NSE for a period of 5 years (2013-2017). There are conceptual, contextual and methodological research gaps, which have been noted during the review of previous studies that this study intends to address. This study is important because it shows companies how to address pertinent issues affecting employees and the company's growth in a turbulent changing business environment. Failure to change with the times may lead to losses and suspension from NSE by Capital Markets Authority. This study intends to establish the effect of organizational culture on performance of companies listed in NSE in Kenya.

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Objective of the Study
To establish how organizational culture affect performance of companies listed in Nairobi Securities Exchange.

Research Hypothesis
H_0: Organizational culture does not significantly affect performance of companies listed in Nairobi Securities Exchange.

Conceptual Framework of the Study
This study was guided by the following conceptual framework presented in Figure 1.

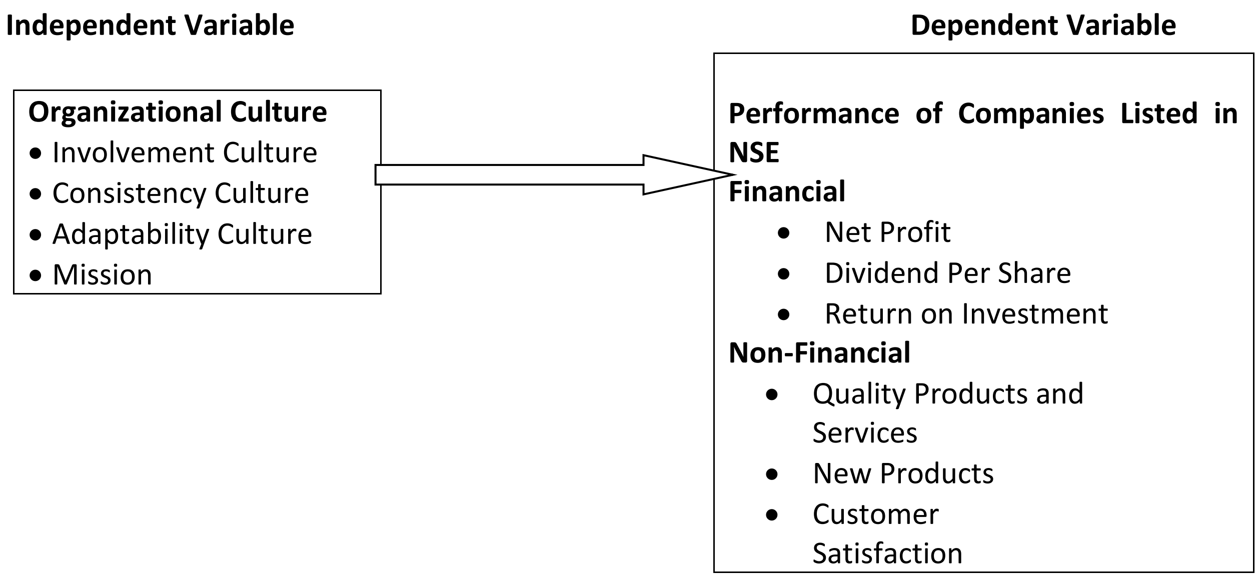

Figure 1: Conceptual Framework of the Study
Organizational culture was presumed to affect performance of companies listed in NSE and was presented on the left hand side of the diagram in figure 1 as independent variable and performance of companies was the dependent variable and was presented on the right hand side of the conceptual framework.

Literature Review
Theoretical Framework
According to Denison (2000) model of culture shows that values and beliefs of an organization leads to a set of management practices, which are concrete activities that are usually rooted in the values of the organization and hence reinforces the dominant values and beliefs of the organization. Denison (2000) model indicates that there are four key cultural traits namely; involvement, consistency, adaptability and mission. Involvement trait attributes are shown as capability development, team orientation and empowerment whereas, consistency trait attributes are shown as core values, agreement, coordination and integration. Adaptability trait attributes are namely creating change, customer focus and organizational learning. Lastly,

mission trait attributes are vision, strategic direction, intent, goals and objectives. Involvement and adaptability traits are indicators of flexibility, openness and responsiveness which are strong predictors of growth. Whereas, consistency and mission are indicators of integration, direction and vision are better predictors of profitability (Denison, 2000). Denison (2000) posits that all the four traits have significant predictors of other effectiveness criteria such as quality, employee satisfaction and overall performance. He further reports that mission and consistency are linked to financial performance, while involvement and adaptability can be linked to customer satisfaction and innovation. Denison (2000) concluded that the four traits were strong predictors of subjectively-rated effectiveness criteria of the total sample of firms which were strong predictors of objective criteria such as return-on-assets and sales growth only for larger firms. This theory informs the variable/concept of organizational culture in this study.

Shapiro (1989) observed that the field of industrial organization had been transformed during the past twenty years and that game theory had emerged as a predominant methodology for analyzing business strategy. This means that the new industrial organization involves specifying a game among competing firms and solving that game in extensive form using the non-cooperative solution concept of Nash equilibrium or one of its refinements. Using extensive form games to model strategic interactions has the virtue of forcing the analyst to think carefully and to be quite precise about specific nature of competition. At this time game theory provides the only coherent way of logically analyzing strategic behavior (Shapiro, 1989). Fisher (1989) argued that game theoretic approach to industrial organization had been unsuccessful. The sensitivity of equilibrium behavior to the specification of the extensive form of the game had evidence that the game theoretic approach had failed since the specification may be hard to discern from available industry information. Whereas, Shapiro (1989) further reported that game theory tells us the conditions under which different outcomes occur and what factors are most critical in shaping behavior and performance in concentrated industries. According to Porter (1981) the traditional brain/mason paradigm of industrial organization offered strategic management a systematic model for assessing competition within an industry, yet the model was seldom used in the business policy field. Industrial organization and business policy differed in their frame of reference (public vs. private), units of analysis (industry vs. firm), views of the decision maker and stability of structure and in other significant respects. Porter (1981) concluded that the development of industrial organization theory during the 1970's had narrowed the gap between the two fields to the extent that industrial organization should now be of central concern to policy scholars. This theory informed the variable/concept of performance of companies in this study.

Empirical Literature Review on the Study Variables

The effect of organizational culture on performance has engaged the attention of researchers for many years. A study by Olanipekun, Aje and Falemu (2013) on effects of organizational culture on the performance of quantity surveying firms in Nigeria reported that organizational culture was positive on reward, stability and competitiveness on performance orientation. Olanipekun, Aje and Falemu (2013) study adopted survey research design with 126 structured questionnaires targeting principal partners, senior and junior quantity surveyors in 42 quantity surveying firms in Lagos. 90 questionnaires from 40 quantity surveying firms were analyzed using mean score. Stepwise regression analysis was carried out to predict the performance of quantity surveying firms. Their study was based on reward, stability and competitiveness. The firms were not trading in the stock market in Lagos, Nigeria. This study did not consider organizational culture indicators like involvement culture, adaptability culture, consistency culture and mission on performance of companies, a gap this study intends to fill.

Another study by Awadh and Saad (2013) on impact of organizational culture on employee performance in Malaysia reported that value and norms of an organization were based upon employee relationship to increase the level of performance by designing strategies. They reviewed literature as the methodology of the study and concentrated on process, employees and systems. In more than 60 research studies, 7600 small business units and companies' performance from 1999 to 2007 were evaluated. Awadh and Saad (2013) recommended that managers should relate organization performance and culture to each other as they help in providing competitive advantage to firms. Their study was a desk research from published articles and not empirical research. Performance was measured using balance scorecard and did not consider financial measures to report performance. The indicators of organizational culture such as involvement culture, adaptability culture, consistency culture and mission on performance of companies were not part of the study. This study concentrated on small business units and not large business units that would trade in the stock exchange. The period for the literature review was from 1999 to 2007 and not 2009 to 2013 the period which this study intends to cover and a lot could have changed since then.

Zakari, Poku and Ansah (2013) conducted a study on organizational culture and organizational performance of banking industry in Ghana and reported that there was a significant difference among the banks with organizational culture traits and no significant difference among them regarding performance. They further reported that there was a positive relationship between organizational culture and performance in the banking industry in Ghana and mission was the culture trait with the strongest potential of impacting positively on performance using the Denison's organizational model. The variable items were measured using five-point Likert scale of the nine banks in Ghana. The analysis was based on 296 respondents from various departments with varied positions. Their study did not consider other variables of Denison's organizational model namely, involvement culture, adaptability culture and consistency culture which are also critical in the study of organizational culture and performance when using Denison's organizational model.

A study by Santos and Brito (2012) on toward a subjective measurement model for firm performance reported that the dimensions cannot be used interchangeably, since they represent different aspects of firm performance and corroborate the idea that stakeholders have different demands that need to be managed independently. Their study used confirmatory factor analyses data from 116 Brazilian senior managers to test its fit and psychometric properties. Santos and Brito (2012) study lacked convenience and geographic characteristics of the sample to allow generalization of the results and also failed to test the dimension of market value. Another study by Fauzi, Svensson and Rahman (2010) reviewed corporate performance, corporate financial performance and corporate social performance. They reported that the concept of triple bottom line as sustainable corporate performance should consist of three measurement elements namely; (i) financial, (ii) social and (iii) environmental and the content of each of these measurement elements may vary across contexts and over time. Triple bottom line as sustainable corporate performance should be interpreted to be a relative concept that is dynamic and iterative. They recommended that continuous monitoring needs to be performed, adapting the content of the measurement elements to changes that evolve across contexts and over time in the marketplace and society.

Methodology of the Study

This study was anchored on pragmatism philosophy because it involved objective testing of empirical hypothesis that was formulated as predictions of the observed phenomena. It used quantitative research that included descriptive and inferential statistics. It also sought to verify the propositions by operationalizing variables in the conceptual model through empirical tests by measurement and samples that were selected for purposes of generalization of results. The study adopted a cross sectional survey research design and correlational research design. The target population was 64 companies listed in NSE and met the threshold for having traded for five years from 2013 to 2017 as at 30th June, 2017 (NSE Handbook, 2016). Stratified random sampling technique was used since the population was subdivided into groups, six were in agricultural sector, two were in automobiles and accessories, ten were in banking sector, thirteen were in commercial and services, five were in construction and allied, five were in energy and petroleum, six were in insurance, three were in investment, one was in investment services, nine were in manufacturing and allied, one was in telecommunications and technology and lastly, one was in real estate investment trust (NSE Handbook, 2015).

Purposive sampling was used and was confined to specific types of people who can provide the desired information namely; chief executive officers, heads of human resources, finance and marketing since they deal much with policy formulations. Mugenda and Mugenda (2003) noted that a sample size of 10% to 30% was a good representation of the target population and hence, adequate for analysis for this study because it fulfilled the requirements of efficiency, representation, reliability and flexibility. The sample size was determined based on precision rate and confidence level. For the purposes of this study, a desired minimum precision rate of +5% and a confidence level of 95% was used (Kothari, 2009). The sample size of this study used Cochran's formula of 'return sample size method' for categorical data as propounded by Mugenda and Mugenda (2003). The number of companies sampled was 38 * 4 number of Senior Managers = 152 Senior Managers being the final sample size estimate was adjusted as recommended by Mugenda and Mugenda (2003).The main research instrument for the collection of primary data was a semi-structured questionnaire. The study piloted the instruments to 15 senior managers namely; 3-Chief Executive Officers, 4-heads of human resources, 4-heads of finance and 4-heads of marketing from a sample of 152 respondents which is 10% of 152 equals to 15 senior managers. Carmines and Zeller (1987) asserted that as a general rule, the reliabilities should be above 0.7 for widely used scales. The recommended value was 0.7 which this study used as cut-off reliabilities. Data analysis was done through descriptive and inferential statistics such as correlation, hypothesis testing, ANOVA and regression model.

Research Findings and Discussion

Organizational Culture and Performance of Companies listed in NSE

The study sought to establish how organizational culture affects performance of companies listed in Nairobi Securities Exchange. The respondents were asked to rate the extent they agree or disagree with the following aspects of organizational culture on performance in their organization for the last five years. In a Likert Scale of 1-5, where: 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly agree. The results are presented in table 1

Table 1: Descriptive Statistics for Organizational Culture

Statements	S.D	D	N	A	SA	Mean	Std. Deviation
Involvement Culture							
All employees have favorable conditions for decision making and for giving various ideas, suggestions and notes.	0.6%(1)	2.3%(3)	12.6%(15)	44%(53)	40.6%(49)	4.22	0.794
We promote collaboration and allow participation of every employee.	4.6%(6)	7.5%(9)	22.3%(27)	32.8%(38)	31.0%(37)	3.76	1.072
There is no empowerment of employees in the company.	1.7%(2)	9.7%(12)	25.1%(30)	38.3%(46)	25.1%(30)	3.75	0.995
This level acts to guide strategic decision-making throughout our business.	2.9%(3)	2.3%(3)	18.3%(22)	47.4%(57)	29.1%(35	3.97	0.887
Consistency Culture							
We have core values in our organization that help to define how the organization would behave.	2.3%(3)	3.4%(4)	16.6%(20)	50.3%(60)	27.1%(33)	2.9	0.909
We have a collective bargaining agreement that creates peace and harmony in the work place.	2.3%(3)	14.4%(17)	26.4%(32)	36.2%(43)	20.7%(25)	3.59	1.043
Employees often do not approve of changes and resist or behave indifferently during change process.	13.1%(16)	31.6%(38)	24.6%(30)	17.0%(20)	13.7%(16)	4.22	0.794
Adaptability Culture							

The changes are aligned according to customer focus.	1.7%(2)	7.5%(9)	12.0%(14)	58.9%(71)	19.9%(24)	3.76	1.072
Internal integration and external adaptation can often be at odds.	1.7%(2)	4.0%(5)	12.0%(14)	43.0%(52)	39.5%(47)	3.75	0.995
We do not change the system so that to improve the organization's collective abilities to provide value for our customers.	1.7%(2)	9.1%(11)	16.0%(19)	36.6%(44)	36.6%(44)	3.97	0.887
Mission							
Our organization has a mission statement and defines what business we are in and vision of where we want to be.	2.3%(3)	10.2%(12)	18%(22)	32.0%(38)	37.5%(45)	3.86	0.912
Our organization has goals and objectives that guide our operations.	5.8%(7)	11.2%(13)	20.1%(24)	29.3%(35)	34.1%(41)	3.72	0.921
Strategic direction and intent in our organization enables us stay focus and in line with the business environment.	7.8%(9)	9.2%(11)	25.1%(30)	39.7%(48)	18.3%(22)	3.96	1.021
The mission does not contribute anything to the health of the organization.	5.8%(7)	11.2%(13)	20.1%(24)	29.3%(35)	34.1%(41)	3.82	1.121
Composite Mean						**3.84**	**0.970**

Table 1 findings had an aim of knowing to which extent they agree or disagree that all employees have favorable conditions for decision making and for giving various ideas, suggestions and notes. 0.6% (1) strongly disagreed, 2.3 %(3) disagreed 12.6 %(15) were neutral, 44 %(53) agreed and 40.6 %(49) strongly agreed. Average mean score of 4.22 with a standard deviation of 0.794 which falls higher than composite mean of 3.84 and below the standard deviation of 0.970. This implies that staffs are involved in decision making process; ownership which positively affects the performance of companies listed in NSE. In regard to know the extent to which they promote collaboration and allow participation of every employee, 4.6%(6) of the employees strongly disagreed, 7.5%(9) disagreed, 22.0%(27) neutral, 33.9%(41) agreed while, 32.0%(38) strongly agreed. Average mean score of 3.76 and standard deviation of 1.072 which falls below the composite mean of 3.84 and higher than standard deviation of 0.970 meaning that management promotes collaboration and employees' participation on issues affecting the organization as this affects negatively the performance of companies listed in NSE. There was no empowerment of employees in the company and was also rated as follows: 1.7%(2) of strongly disagreed, 9.7%(12) disagreed, 25.1%(30) neutral, 38.3%(46) agreed 25.1%(30) strongly agreed. Average mean score of 3.75 and standard deviation of 0.995 which falls below the composite mean of 3.84 with a standard deviation of 0.970 meaning that staff empowerment was being practiced in these organizations which negatively affects the performance of companies listed in NSE. However, the effect was negative and therefore improvement is required. On whether this level acts to guide strategic decision-making throughout our business: 2.9%(3) strongly disagreed, 2.3%(3) disagreed, 18.3%(22) neutral, 47.4%(57) agreed, while 29.1%(35) strongly agreed. Average mean score of 3.97 and standard deviation of 0.995 which falls higher than the composite mean of 3.84 with a standard deviation of 0.887 meaning that there is teamwork and staff involvement is very common which make staff to be responsible and have a sense of ownership in whatever decision they are called to deliberate and this positively effects of performance of companies listed in NSE.

Concerning core values in our organization that help to define how the organization would behave: 2.3%(3) strongly disagreed, 3.4%(4) disagreed 16.6%(20) were neutral, 50.3%(60) agreed and 27.4%(33) strongly agreed. Averages mean score of 2.9 and standard deviation of 0.909 which falls lower than the composite mean of 3.84 and lower than the standard deviation of 0.970 which means that the core values supports the vison of the companies listed in NSE, shapes the culture and reflects company values that help in decision making processes and negatively affects performance of companies listed in NSE. On whether they have a collective bargaining agreement that creates peace and harmony in the work place, the results were as follow:- 2.3%(3)% strongly disagreed, 14.4%(17) disagreed, 26.4%(32) were neutral, 36.2%(43) agreed and 20.7%(25) strongly agreed. Average mean score of 3.59 and standard deviation of 1.043 which falls below composite mean of 3.84 and higher than standard deviation of 0.970 meaning that collective bargaining allowed the companies in NSE to negotiate a fair employment relationship and prevented costly labor disputes and negatively affects performance of companies listed in NSE. On whether employees often do not approve of changes and resist or behave indifferently during change process; 13.1%(16) strongly disagreed, 31.6%(38) disagreed 24.6%(30) were neutral, 17%(20) agreed and 13.7%(16) strongly agreed. Average mean score of 4.22 and standard deviation of 0.794 which falls higher than the composite mean of 3.84 and lower than standard deviation of 0.970 meaning that lack of trust, fear of the unknown, poor communication and engagement among employees were some of the factors that hindered implementation of change process and positively affects performance of companies listed in NSE.

To check whether the changes are aligned according to customer focus, 1.7%(2) strongly disagreed, 7.5%(9) disagreed 12.0%(14) were neutral, 58.9%(71) agreed and 19.9%(24) strongly agreed. Average mean score of 3.76 and a standard deviation of 1.072 which falls lower than the composite of 3.84 with a higher standard deviation than 0.970 meaning that companies listed in NSE were adjusting to the pace of reorganization to match anticipated obstacles by constantly realigning themselves as the market changes to customer focus which negatively affects performance of companies. On whether internal integration and external adaptation can often be at odds, 1.7%(2) strongly disagreed, 4.0%(5) disagreed 12.0%(14) were neutral, 43.0%(52) agreed and 39.5%(47) strongly agreed. Average mean score of 3.75 and standard deviation of 0.995 which falls below the composite mean of 3.84 with a standard deviation of 0.970 meaning that there is a pattern of shared basic assumptions that the organizations have and could be taught to new members joining the organization negatively affects performance of companies listed in NSE. On whether they do not change the system so as to improve the organization's collective abilities to provide value for our customers 1.7%(2) strongly disagreed, 9.1%(11) disagreed 16.0%(19) were neutral, 36.6%(44) agreed and 36.6%(44) strongly agreed. Average mean score of 3.97 and standard deviation of 0.887 which falls above the composite mean of 3.84 with a standard deviation of 0.970 meaning that the organizations collective abilities positively affects the systems in place and performance of companies listed in NSE.

On whether the organization has a mission statement and defines what business they are in and vision of where they want to be 2.3%(3) strongly disagreed, 10.2%(12) disagreed, 18%(22)were neutral, 32.0%(38) agreed and 37.5%(45) strongly agreed. Average mean score of 3.86 and standard deviation of 0.912 which falls slightly higher than the composite meaning of 3.84 with a standard deviation of 0.970 meaning that mission statement and vision are the most crucial parts on which the business is built and positively affects performance of companies listed in NSE. On whether the organization has goals and objectives that guide their operations 5.8%(7) strongly disagreed, 11.2%(13) disagreed, 20.1%(24) neutral, 29.3%(35) agreed and 34.1%(41) strongly agreed. Average mean score of 3.72 and standard deviation of 0.921 which falls below the composite mean of 3.84 with a standard deviation of 0.912 meaning that companies are guided and directed by mission which negatively affects the performance of companies listed in NSE and therefore should be reviewed. Whether they have a strategic direction and intent in the organization that enables them stay focus and in line with the business environment, 7.8%(9) strongly disagreed, 9.2%(11) disagreed, 25.1%(30) neutral, 39.7%(48) agreed and 18.3%(22) strongly agreed. Average mean score of 3.96 and standard deviation of 1.021 which is higher than a composite mean of 3.84 with a standard deviation of 0.912 meaning that organizations tend to change terms of engagement and competes through collaboration in an innovative manner which positively affects performance of companies listed in NSE. Lastly, that the mission does not contribute anything to the health of the organization 5.8%(7) strongly disagreed, 11.2%(13) disagreed, 20.1%(24) neutral, 29.3%(35) agreed and 34.1%(41) strongly agreed. Average mean score of 3.82 and standard deviation of 1.121 which falls below composite mean of 3.84 with a standard deviation of 0.912 meaning that not all employees understand what mission means as it is so confusing to them and this negatively affects performance of companies listed in NSE. The summary of descriptive statistics for organizational culture is presented in table 2

Table 2: Summary of Descriptive Statistics for Organizational Culture

Organizational Culture	Mean	Std. Deviation	Analysis N
Involvement Culture	3.910	0.954	120
Consistency Culture	3.806	2.191	120
Adaptability Culture	3.780	1.052	120
Mission	3.403	1.002	120

Table 2 indicates that the average score of Involvement Culture, Consistency Culture, Adaptability Culture and Mission were 3.910, 3.806, 3.780 and 3.403 respectively out of 5 possible rates. On the other hand, standard deviation indicates that the dispersion was very little. These findings of standard deviation suggest that Involvement Culture, Consistency Culture, Adaptability Culture and Mission had significant positive effect on performance of companies listed in Securities market.

Correlation Analysis for Organizational Culture on Performance of Companies listed in NSE
To find out whether there was linear relationship between Organizational Culture and Performance of Companies, Pearson moment's correlation coefficients was used as suggested by Cohen, West and Aiken (2003). The result of the finding is presented on Table 3.

Table 3: Correlations Coefficients for Organizational Culture and Performance of Companies

Variable		Performance of Companies	Organizational Culture
Performance of Companies	Pearson Correlation	1	.642**
	Sig. (2-tailed)		.000
	N	143	143
Organizational Culture	Pearson Correlation	.642**	1
	Sig. (2-tailed)	.000	
	N	143	143

Other than product moment correlation coefficient, linearity was also tested using scatter plot between performance of companies and organizational culture. It was established that there was a significant moderate positive correlation between organizational culture and performance of companies listed in the NSE, *r*= 0.642** P-value< 0.001, CL=95%. The results are presented in figure 2.

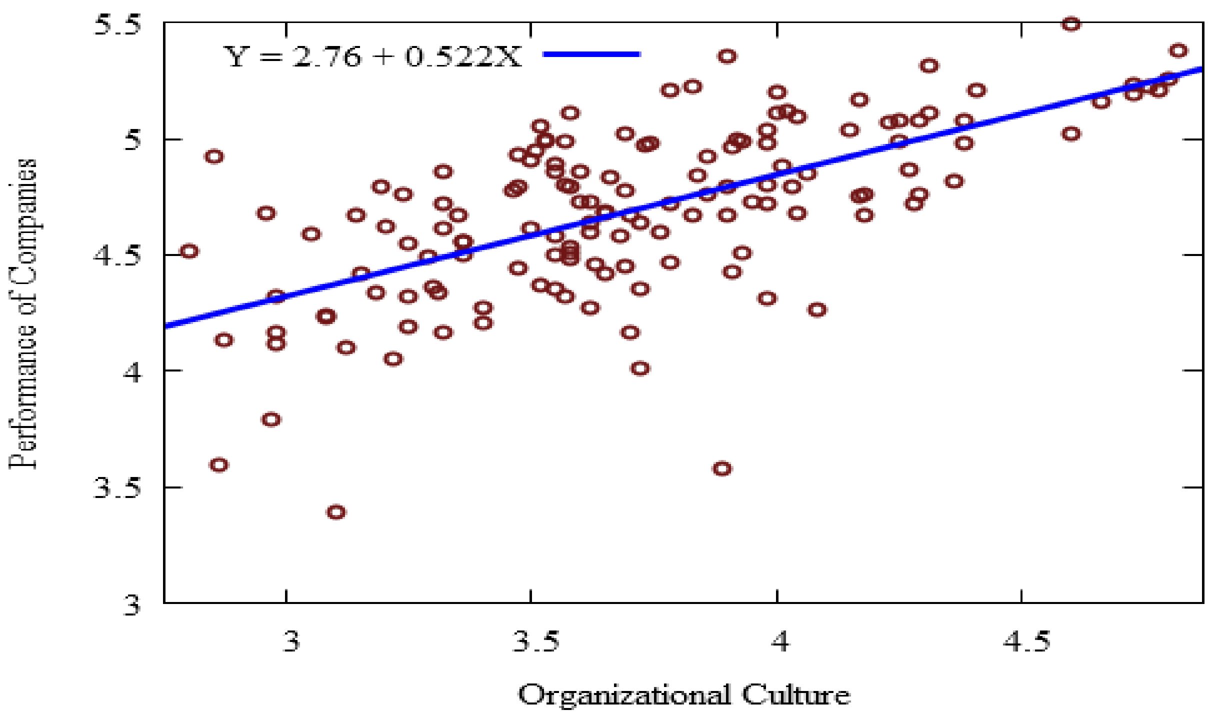

Figure 2: Scatter Plot between Performance of Companies and Organizational Culture
Figure 2 clearly indicate that the effect of linear relationship between performance of companies and organizational culture.
T- Test (t-test) was also used to test the relationship between the predictor variable organizational culture and Performance of Companies listed in NSE. The results are presented in Table 4.

Table 4: Coefficients for Organizational Culture (X_1)and Performance of Companies

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.752	.197		13.965	.000
Organizational Culture	.523	.053	.642	9.947	.000

a. Dependent Variable: Performance of Companies

Table 4 show that there was significance relationship between the two variables p-value= 0.000 < 0.05. The regression equations between Performance of Companies and organizational culture is expressed as; $Y=2.752+0.523X_1$. This shows that for every unit on organizational culture values changes by 0.523. These results were also supported by the descriptive analysis.

Hypothesis testing for relationship between organizational culture and performance of Companies listed in NSE
The study analyzed the null hypothesis that organizational culture does not significantly affect performance of companies listed in Nairobi Securities Exchange. The analysis was conducted using the linear regression model. The results are presented in table 5.

Table 5:Regression Analysis for Organizational Culture and Performance of Companies

R	R Square	Adjusted R Square	Std. Error of the Estimate
.642[a]	.412	.408	.28651

a. Predictors: (Constant), Organizational culture and performance of companies listed in NSE.

a. Dependent Variable: Performance of Companies

The model summary Table 5 shows the strength of the effect between predictor variable and the response variable is shown using correlation (R) or coefficient of determination R- square. The R-square is an indicator of how well the model fits the data. An R- square value which is close to 1.0 indicates that the dependent variable entirely depends on the independent variable while a value close to 0 indicates no correlation between the explanatory variables and the dependent variable (Ming'ala, 2002). From the Table 4.5, further findings indicate that the value of R-square was 0.412. This implied 41.2% of Performance of Companies was explained by Organizational Culture. The null hypothesis was rejected and accepted the alternative hypothesis and concluded that organizational culture has a positive significant effect on Performance of Companies listed in Nairobi Securities Exchange.

ANOVA for Organizational Culture

This finding was further illustrated in the Analysis of Variance for organizational culture in Table 6.

Table 6:ANOVA for Organizational Culture (X1)

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	8.122	1	8.122	98.945	.000[b]
Residual	11.574	141	.082		
Total	19.697	142			

a. Dependent Variable: Performance of Companies (Y)

Performance of Companies listed in NSE

This section concerns descriptive analysis for the dependent variable (Performance of Companies). The respondents were asked to state their level of agreement on the following items for Performance of Companies listed in Nairobi Securities Exchange. In a Likert scale of 1-5 where; 1-Strangly disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree. The results are presented in table 7.

Table 7: Descriptive Statistics for Performance of Companies

Statement	S.D	D	N	A	S. A	Mean	Std. Dev
Net Profit	0.6%(1)	1.7%(2)	6.9%(8)	41.1%(49)	49.7%(60)	4.38	0.739
Dividend Per Share	0.6%(1)	1.1%(1)	6.9%(8)	37.1%(45)	54.3%(65)	4.43	0.723
Return on Investment	1.1%(1)	2.9%(3)	13.7%(17)	40.6%(49)	41.7%(50)	4.19	0.860
Quality products and Services	0.6%(1)	3.4%(4)	8.6%(10)	42.3%(51)	45.1%(54)	4.28	0.807
Customer Satisfaction	0.0%(0)	2.9%(3)	24.0%(29)	35.4%(43)	37.7%(45)	4.08	0.854
New products	0.0%(0)	4.6%(6)	12.6%(15)	45.1%(54)	37.7%(45)	4.16	0.815
Composite Mean						**4.20**	**0.832**

Table 7 findings were on whether the financial performance of the organization is pegged on the Net Profit; 0.6%(1) of the respondents strongly disagreed, 1.7%(2) disagreed, while 6.9%(8) were neutral, 41.1%(49) of the respondents agreed and 49.7%(60) strongly agreed. Average score rate was 4.38 out of 5 with standard deviation of 0.739 was higher than the composite mean of 4.20 and standard deviation of 0.832. This suggest that majority of the companies listed in Nairobi Securities Exchange measure their performance based on net profit which is confirmed by composite mean of 4.20 and standard deviation of 0.832 which is lower.

On whether the companies listed in Nairobi Securities Exchange measure their performance based on dividend per share, majority of the respondents 0.6%(1) strongly disagreed, 1.1%(1) disagreed, while 6.9%(8) were neutral, 37.1%(45) agreed and strongly agreed at 54.3%(65). This also indicates that majority of the companies listed in Nairobi Securities Exchange measure their performance based on dividend per share with an overall mean rate of 4.43 and standard deviation 0.723.

On whether the companies listed in Nairobi Securities Exchange measure their performance based on Return on Investment, 1.1%(1) strongly disagreed, 2.9%(3) disagreed, while 13.7%(17) were neutral, 40.6%(49) of the respondents agreed and 41.7%(50) strongly agreed. An average score rate of 4.19 was recorded with standard deviation of 0.86 was lower than the composite mean of 4.20 and standard deviation of 0.832. This indicates that majority of the companies listed in Nairobi Securities Exchange measure their performance based on return on investment.

The Respondents were asked whether the non-financial performance of the organization is pegged on the Quality products produced and Services provided, 0.6%(1) strongly disagreed 3.4%(4) disagreed, while 8.6%(10) were neutral, 42.3%(51) of respondents agreed and 45.1%(54) strongly agreed. Average scale of 4.28 out possible 5 and standard deviation of 0.80 was recorded with a composite mean of 4.20 and standard deviation of 0.832. This means that quality products produced and Services provided affect financial performance of companies listed in Nairobi Securities Exchange.

To find out whether performance of companies listed in Nairobi Securities Exchange are normally based on Customer Satisfaction, 0.0%(0) strongly disagreed, 2.9%(3) disagreed, while 24.0%(29) were neutral, majority of the respondents at 35.4%(43) agreed and 37.7%(45) strongly agreed. Average scale of 4.08 out possible 5 and standard deviation of 0.854 was below the composite mean of 4.20 and standard deviation of 0.832. This means that customer satisfaction affect financial performance of companies listed in Nairobi Securities Exchange.

To find out whether performance of companies listed in Nairobi Securities Exchange are normally based on New Products, 0.0%(0) strongly disagreed, 4.6%(6) disagreed, while 12.6%(15) were neutral, majority of the respondents at 45.1%(54) agreed and 37.7%(45) strongly agreed. Mean score of 4.16 out of 5 and standard deviation of 0.815 was below the composite mean of 4.20 and standard deviation of 0.832. This means that new products produced affect financial performance of companies listed in Nairobi Securities Exchange. In general, the respondents were in agreement with all the items listed under Performance of Companies.

Discussion of Findings

The results are in line with findings by Olanipekun, Aje and Falemu (2013) that organizational culture enhances performance with positive reward, stability and competitiveness. The results also concur with the findings of Awadh and Saad (2013) that organization performance and culture help in providing competitive advantage to firms and making them more effective and efficient. The results also concur with Zakari, Poku and Ansah (2013) finding that organizational

culture traits namely; involvement culture, consistency culture, adaptability culture and mission had no significant difference among them on performance and mission was the culture trait that had a strongest potential and impacted positively on performance.
These results confirm that organizational culture of companies listed in NSE are flexible and have the ability to adapt to changes in internal and external environment. It further confirms that focus should be directed to the employees because they are members of these companies as they play a critical role in values, standards of behavior, objectives and other traits of organizational culture in the entire organization, which leads to good corporate image and company performance.
These results on performance of companies listed in NSE are in harmony with the findings by Fauzi, Svensson and Rahman (2010) that the concept of triple bottom line as sustainable corporate performance should consist of three measurement elements namely; financial, social and environmental and the content of each of these measurement elements may vary across contexts and over time. The results confirm that listed companies in Nairobi Securities Exchange in Kenya have well documented financial reports online in their websites and that of NSE website that determines the threshold set by Capital Markets Authority (CMA), a regulator and shows whether the listed companies have complied according to the laid down rules and regulations.

Conclusion

There is a significant relationship between organizational culture and performance of companies listed in NSE. Organizational culture is positively influences the performance of companies listed in NSE. The findings confirms that organizational culture of companies listed in NSE are flexible and have the ability to adapt to changes in internal and external environment.

Recommendation

Organizational culture should involve all stakeholders as to ensure that there is no resistance among staff members because everybody will be responsible for every decision making process and will own up in the spirit of teamwork and harmony for companies listed in NSE in Kenya.

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