
Corporate Culture and Organizational Performance at Kogi State Internal Revenue Service

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Abstract:

This study examines the effect of corporate culture on organizational performance at Kogi State Internal Revenue Service. This study made use of the quantitative research method and adopted the descriptive survey research design. Using a close-ended and structured electronic questionnaire, data was collected from a sample 255 employees of the Kogi State Internal Revenue Service, of which only 211 respondents participated in the study, indicating a response rate of 82.7%. The study's data was analyzed using simple linear regression analysis. This was done using the Statistical Package for Social Sciences (SPSS) version 20.0. Findings from the study revealed that corporate culture has a significant positive effect on organizational performance of Kogi State Internal Revenue Service. The study then concluded that corporate culture positively affects the organizational performance of Kogi State Internal Revenue Service and recommends that the management of the firm build upon existing corporate culture practices to improve on the firm's current performance.

Keywords: Corporate culture, performance, organization, vision, communication, environment.

1.0 Introduction

Businesses in contemporary times are tied in between going moribund or survival through competitive business approaches. These various approaches requires them to be more creative, innovative and above all, an entity that prides itself amongst its peers. One of the acceptable means of topping the pack in the business world through organizational performance remains the development of a widely receptive corporate culture. Precedential researches have shown links between corporate culture and organizational performance. These researches includes those conducted by Motilewa *et al.* (2015); Maleka *et al.* (2015); Joseph and Kibera (2019). These various studies clearly showed a positive relationship between corporate culture and organizational performance. Corporate culture as it relates to organizational performance is anchored on different assumptions, values and beliefs which must be made effective only through its adaptability, mission, consistency and level of involvement (Asikhia, Joshua, Chukwu & Adesanmi, 2020). The strategic role of corporate culture in today's competitive in the performance of an organization cannot be over-emphasized as it improves on the competitiveness of the organization.

Recently, most organizations have consistently focused on the financial aspects of pursuing organizational performance like spending money on advertising its product on media, signing off celebrities as brand influencers, flagging off promotional seasons and giving massive discounts on products and services without paying attention to the non-financial aspects such as improving quality customer services, building good interpersonal relationship with clients and employees. These loopholes portends grave consequences in the performance drive of an entity and hence the urgent need to suggest possible ways of incorporating them into the organizational best practices.

1.1 Statement of the problem

Researches in contemporary times have laid emphasis on the performances of organization as the world battles recession and post-Covid 19 challenges. The post-Covid 19 era have increased the awareness of business managers and owners on the need to understand that competitive advantages are derived from an upscale in the quality of products and services, the introduction of modern technology that eases work, attraction and retention of quality manpower and its management. Organizations depicts energy and strategy towards responding to challenges and changes brought by this various phenomenon. Many organizations are sometimes caught off guard by the pressure from these various enormous challenges. They also articulate energy and resources on correcting

the damages caused by those challenges in order to forestall future occurrences which have continued to drive most organizations into a very reactive position.

Organizations have continued to focus on confronting challenges rather than institutionalizing strategies that seek to drive the performance of organizations optimally. The absence of the effective implementation of strategies that are specially customized to guide the achievement of organizational goals have remained one of the biggest challenges facing the organizations in actual sense. Njagi and Kombo (2014) observed that the most critical of all problems facing an organization is the obvious lack of clear definition of strategic management and their objectives. The consideration of basic and strategic knowledge of management principles which includes corporate culture as a tool for driving performance is what all firms should consider and place at the top of corporate priorities. Therefore, this study seeks to examine the effect of corporate culture on organizational performance at the Kogi State Internal Revenue Service, Kogi State, Nigeria.

2.0 Conceptual Clarifications

2.1 Corporate Culture

Corporate culture can be defined as a set of values, beliefs and behavioral patterns that distinguishes one business entity from the other. It can also be described as the norms that employees of an organization experience in their daily work settings (Schneider *et al.*, 2013). In other words, the various behaviors at workplace that result in overall organizational productivity are tied to corporate culture. Corporate culture assists business organizations to conceptualize the intangible practices in an organization which helps in solving basic problems about internal integration and external adaptation shocks. It involves perceiving, thinking and feeling in a positive manner (Schein, 2010).

Accordingly, Kings (2012) defines organizational culture as a system of belief and highly held values which purpose is to subconsciously pattern people's behavior towards making certain decisions. Uddin, Luva, and Hossian (2013) offered insights into the various sources of culture which he listed as: the belief of the business owners, learning experiences, assumptions of employees, manager's disposition. Nwakoby *et al.* (2019) in a study analyzed the three major important dimensions to corporate culture. These they listed as the integration dimension that postulates that a business entity has that culture that dictates the values and activities of its employees. The differentiation dimension that seeks an inclusion of sub-cultures which has

divergence from the major organizational culture and the fragmentation dimension that believes that corporate culture are the personal beliefs of employees in the organization. Uddin *et al.* (2013) listed vision and values, communications, leadership, environment, dressing and teamwork as elements of corporate culture. This implies that they positively represents what a business entity stands for.

2.2 Organizational Performance

Organizational performance is the actualization of corporate objectives based on specific laid down benchmarks (Richard, 2009). Furthermore, Organizational performance can be described as the level to which an organization attains its key goals and objectives. It is also a comparison between the actual output of an organization and the targeted outcomes. Organizational performances are usually measured by analyzing stated purposes cum expectations and the final outcomes. There are dimensions for measuring organizational performances which are: employee performance, financial performances, Shareholder's return performance, Operational performance. The processes involved in the measuring of a firm's performance includes establishing objectives, monitoring and evaluation and making improvements (IET, 2021).

Organizational performance can be gauged from many approaches. This includes the financial and market based approach like profitability, market share and profitability. There are other approaches such as judgmental performance approach that includes client and workforce based assessment such as quality of service, employee and client fulfillment. Financial performance in particular remains the major measure of organization performance in recent times. This is occasioned by changed engaged by business organizations in terms of improved product quality, engagement of quality manpower and new technology involvement (Moers, 2015).

2.3 Conceptual Framework

Corporate Culture

Organizational Performance

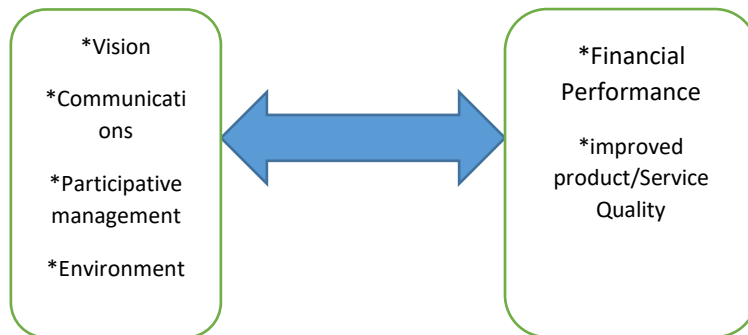


Figure 1: Conceptual Framework

Source: *Author's Conceptualization (2023)*

The above conceptual framework shows the nexus between corporate culture and organizational performance. It indicated that organizational vision, communications, leadership styles and environment which are components of corporate culture are determinants of organizational performance indicators like financial performance, improved product quality and increased customer base.

2.3.1 Research Objective

- The objective of the study is to examine the effect of corporate culture on organizational performance at the Kogi State Internal Revenue Service.

2.3.2 Research Question

- What is the effect of corporate culture on organizational performance at the Kogi State Internal Revenue Service?

2.3.3 Research Hypothesis

H₀₁: Corporate culture has no effect on organizational performance at the Kogi State Internal Revenue Service

3.0 Methodology

This research was structured to examine the effect of corporate culture on organizational performance at the Kogi State Internal Revenue Service in Kogi State. The study utilized both primary and secondary data. Primary data includes data gotten from structured questionnaire while secondary data were sourced from text books, journal articles and other electronic sources. The total study population comprises 700 employees of the Kogi State Internal Revenue Service.

Using the Taro Yamane (1967) formula in deriving a sample size from the total population, the sample size was determined by following the formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size

N = Population size

e = Error Margin (0.05)

1 = Constant figure

With further computation as follows:

$$n = \frac{700}{1 + 700(0.05)^2}$$

$$n = \frac{700}{1 + 700(0.0025)}$$

$$n = \frac{700}{1 + 1.75}$$

$$n = \frac{700}{2.75}$$

$$n = 255$$

Hence the sample size is calculated to be 255

The questionnaires were distributed to the two hundred and fifty-five (255) employees of the company which consists of both senior, middle range and junior employees. The questionnaire were structured into three (3) sections with section (A) containing the socio-demographic information of the employees while section (B) contains the items of the independent variables and Section (C) containing the items of the dependent variables. Validation of the research instruments was conducted by submitting to scrutiny the questionnaire to experienced researchers and academics for face validity and content validation. Reliability test was also carried out using the “Cronbach Alpha” reliability coefficient to ascertain its reliability. Data analysis was carried out using the version 20 of the SPSS statistical tool.

4.0 Results

Table 4.1: Socio-Demographic Characteristics of Respondents

Socio-Demographic Characteristics	Frequency	Percentage
Sex		
Male	110	52.1
Female	101	47.9
Age		
18-24 Years	0	0.0
25 - 31 Years	30	14.2
32 - 38 Years	60	28.4
39 - 45 Years	60	28.4
46 Years And Above	61	28.9
Marital Status		
Single	30	14.2
Married	181	85.8
Divorced	0	0.0
Widow	0	0.0
Education		
B.Sc./Hnd	150	71.1
M.Sc./ Mba	61	28.9
Phd	0	0.0
Religion		
Christianity	151	71.6
Islam	60	28.4
Others	0	0.0
Ethnicity		
Igala	61	28.9
Okun	60	28.4
Igbira	60	28.4
Others	30	14.2
Igala		
Duration Of Hotel Usage		
N50,000 - N70,000	120	56.9
N71,000 - N91,000	30	14.2
N91,000 – N112,000	0	0.0
Above N112,000	61	28.9
Total	211	100.0

Source: Field Survey (2023)

Table 4.1 gives a presentation of the socio-demographic characteristics of respondents. As given the sex distribution of the respondents, 52.1% are male while 47.9% are female. Regarding their age distribution, none is within the age range of 18 and 24 years; 14.2% are within the age range of 25 and 31 years; 28.4% each are within the age category of 32 and 38 years, and 39 and 45 years, while 28.9% are at least 46 years. With regards to respondents' marital status, 14.2% are single, 85.8% are married while none is either divorced or a widow. Concerning education, 71.1%

are B.Sc. or HND holders, 28.9% are M.Sc./MBA holders, while none holds a PhD. Regarding the religious inclination of respondents, 71.6% are Christians, 28.4% are Muslims while none belongs to others. With regards to ethnicity, 28.9% are Igalas, 28.4% each are Okuns and Igbiras, while 14.2% belong to others. Finally, concerning the salary respondents receive monthly, 56.9% earn between N50,000 and N70,000, 14.2% receive between N71,000 and N91,000, none receive between N91,000 and N112,000, while 28.9% receive above N112,000.

4.1 Hypothesis Testing

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871 ^a	.759	.758	.90132

a. Predictors: (Constant), Corporate Culture

b. Dependent Variable: Organisational Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	535.996	1	535.996	659.789	.000 ^b
	Residual	169.786	209	.812		
	Total	705.782	210			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Corporate Culture

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.356	.202		11.666	.000
	Corporate Culture	.328	.013	.871	25.686	.000

a. Dependent Variable: Organisational Performance

Source: Author's Computation (2023)

Recall, the study's hypothesis states that corporate culture has no significant effect on organizational performance at the Kogi State Internal Revenue Service. In testing this hypothesis, simple linear regression analysis was used. As shown in the Model Summary, R Square was seen to be 0.759. This implies that 75.9% of the variations in organizational performance can be explained or predicted by corporate culture. With regards to stating whether this model is fit to explain the causal relationship between these two variables, the ANOVA table is looked at. In the table, the F (p-value) is seen to be 0.000 which is lesser than the significance level of 0.05. Due to this, it can be concluded that the model is fit enough to explain the causal relationship between corporate culture and organizational performance. Finally, to check whether the study's hypothesis can be accepted or rejected, focus is zoomed to the Coefficient table. In the table, the p-value of corporate culture is seen to be lesser than the significance level of 0.05. Consequent upon the preceding, the null hypothesis shall be rejected while the alternative hypothesis is accepted. This therefore means that corporate culture has a significant effect on organizational performance of Kogi State Internal Revenue Service.

The study's result can be mathematically expressed as:

$$\text{ORGPF} = 2.356 + 0.328\text{CC}$$

Where ORGPF = Organizational performance

CC = Corporate Culture

5.0 Conclusion and Recommendation

Deducing from the study's findings, it was concluded that corporate culture has a significant positive effect on the organizational performance of Kogi State Internal Revenue Service. This means that the corporate culture of Kogi State Internal Revenue Service positively affects the organization's performance. This implies that the corporate culture adopted by the firm is instrumental to its corporate performance. Based on this, the study therefore recommends that the management of Kogi State Internal Revenue Service should build upon existing corporate culture practices so as to improve the performance level of the organization. Also, the management of Kogi State Internal Revenue Service should encourage participation of employees in the decision-making process of the organization, particularly, when there is a slight adjustment in corporate goals and strategies.

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