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The influence of corporate culture on operational performance of multi-national companies in Kenya.

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THE INFLUENCE OF CORPORATE CULTURE ON OPERATIONAL PERFORMANCE OF MULTI-NATIONAL COMPANIES IN KENYA

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DECLARATION

Student's Declaration

I hereby declare that this dissertation is my original work and has never been submitted for any examination in any other university.

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Signature:  Date: 23rd September, 2020

Supervisor's Approval

This dissertation has been submitted for examination with my approval as the University Supervisor.

Dr. Stella Nyongesa

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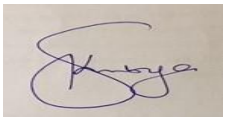
Signature:  Date: 30th Sept 2020

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DEFINITION OF TERMS

Corporate culture: A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems.

Culture types: Dimensions of culture that scholars have modeled to try and adequately encompass the numeral elements of culture.

Operational performance: An aggregation of a firm's performance in terms of cost, flexibility, quality and service delivery.

Multinational Companies: MNCs are corporates based in the countries of origin but having subsidiaries in other countries in the international and global arena.

ABSTRACT

The complexity and dynamism of the business environment has resulted in multinational companies heavily investing in building the right working environment for their employees. Multinational companies face a number of challenges, one of them being fostering cooperation among different actors in the organization while focusing on the company's strategic goals and long-term objectives. The operational performance of multinational companies in Kenya has been declining since 2016 and some of them moved their operations to other regional hubs other than Nairobi. This study sought to establish how various cultural dimensions (market, adhocracy, bureaucratic and consensual) affect the operational performance of these multinational companies. The research study was anchored on Edgar Schein's Model of Culture and the Contingency Theory. The study adopted a quantitative research design; specifically descriptive cross-sectional survey technique. The researcher administered structured questionnaires traditionally from a selected sample of 450 respondents. Data collected was analysed using descriptive statistics, correlation analysis and regression analysis. The results on the synergetic influence however showed that only adhocracy and bureaucratic culture had a significant positive influence on operational performance. Market culture and consensual culture had a positive influence that was not significant. This study contributes to theory by building on the prevailing theoretical frameworks such as the Edgar Schein model and boosting the understanding of the various dimensions of corporate culture and the possible influence that each culture trait could have on organizational outcomes. Empirically, the study guides management practices by diagnosing corporate traits as the first step to managing people effectively especially in instances where activities such as recruitment, on-boarding, performance management and innovation are being carried out by the organization. Regarding policy formulation, the study informs organizational policy development encompassing issues such as recruitment and selection, reward systems, compliance, customer engagement, performance appraisals and employee development. The findings of this study were limited to the classifications of the dimensions of corporate culture and operational performance adopted by the researcher. The study was also limited to data collected using cross-sectional survey, yet corporate culture may be affected by time, unprecedented occurrences and technological advancements that may warrant disruptions in the manner in which a business carries out its day to day activities. Lastly, the response rate was limited by the prevailing conditions of the COVID-19 pandemic. Future studies could address these limitations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The business environment is constantly revolutionizing and businesses worldwide are pursuing strategies bordering economic, operational and managerial factors to achieve competitive advantage (Minbaeva, Björkman, Fey & Park, 2003). The operational performance of firms is dependent on both external market factors and internal business factors of a specific firm. Operational aspects of production quality, service quality, customer preferences, market research, cost measures and people productivity are central pillars organizations pursue to achieve competitive advantage (Prajogo, Troy, Bhattachrya, Oke & Cheng, 2018). The operational performance of multinational companies in Kenya has been declining since 2016 and some of them moved their operations to other regional hubs other than Nairobi; an issue that has been attributed to political volatility, operational inefficiencies, complex markets and culture (Kamau, 2016).

The presence of MNCs in developing countries is of economic importance to both the economy of the country and the parent company (Subramaniam &Venkatraman, 2001). Multinational companies face a number of challenges, one of them being fostering cooperation among different actors in the organization while focusing on the company's strategic goals and long-term objectives (Schein, 2009). Culture has been proposed by scholars as one of the strategic elements of strategic success for multinational companies struggling with optimizing their operations as a result of the complexity of the global market space (Prajogo, Troy, Bhattachrya, Oke & Cheng, 2018). Researchers have approached the concept of culture with a wide array of theoretical interests, methodological tools and definitions of the concept itself. Harris and Ogbonna (2002) for instance argue that corporate culture has been established as a dominant concept in organizational research and organizational culture.

Schneider, Gruman and Coutts (2011) on the other hand, view the concept to be more dominant under applied social psychology. Debate over fundamental issues of theory and epistemology of culture has been growing over the years with new dimensions and incremental improvements coming up (Hofstede et al., 2005). MNCs are important vehicles of cultural movement especially because of the role they play in transferring knowledge and working practices that have turned out

to improve productivity and competitiveness of the developing countries (Subramaniam & Venkatraman, 2001). There are a number of theories which explain the organizational leadership, practices and patterns in an organization. These theories include; Neo-classical Theory of the organization, the Hawthorne Studies, the Institutional Theory, Contingency Theory and Edgar Schein's model of culture (Hofstede et al., 2005). In this study, the theories explain patterns and structures within a firm with the aim to identify relationships with respect to dimensions such as hierarchies, complexities, standardization, authorities, formal processes, size, goals and strategies and how they can be modelled to solve organizational problems, achieve efficiency and productivity. This study anchored on Schein's model and the Contingency Theory which guide on the contextualization of culture in an organization, classification of cultural dimensions and explaining the role of culture in shaping the work environment (Schein, 2009; Fielder, 1958).

The focus on organization culture has become an area of interest in research as well as management practice (Schein, 2010). Miroshnik and Basu (2014) argue that culture plays a profound role in influencing organizational behavior, which can establish the difference between an organization's strategic success in terms of both financial and operational performance and its failure. The scholars further advance that corporate culture can affect performance especially, the non-financial sense of performance (Miroshnik & Basu, 2014). To this end, organizations are investing heavily in building the right kind of work environment for their employees (Miroshnik & Basu, 2014).

This study sought to establish the influence of corporate culture on operational performance in order to contribute to policy, actions of managerial decision making and recommend elements of best practice that multinational companies in Kenya should to achieve superior operational performance.

1.1.1 Corporate Culture

Corporate culture has been of interest to many researchers evidenced from the numerous scholarly publications about the issue (World Bank, 2018). Generally, culture has several meanings to different scholars; Schein (1992) breaks down culture into three levels; artifacts and behaviors, espoused values and beliefs and finally basic shared assumptions. The author concludes that an aggregation of these aspects in a given setting constitutes culture. Hofstede et al. (2005) define

culture as patterns of thinking, feeling and acting within a given setting. These scholars argue that culture does not just encompass activities geared towards refining the mind, but also the ordinary and menial things in life. Culture generally consists of the unwritten rules of the social game therefore distinguishing the members of a particular group from another (Hofstede et al., 2005). According to the authors; Hofstede et al. (2005), culture can be categorized into three, national culture, corporate culture and personality. National and corporate culture are specific to a group or category and most times learned while personality is specific to an individual and can be learned or inherited. Culture applied in the business context, is referred to as corporate culture and it can be identified in the private sector in scenarios that are different from the general societal and national culture (Hofstede et al., 2005).

Corporate culture is a multi-dimensional concept defined and conceptualized by different scholars in different ways (Hogan & Coote, 2014). Taking into account insight from sociological and anthropological studies, scholars reasoned that organizations could possess distinct features, sets of beliefs, shared values and norms that can possibly influence the attitudes and behaviors of its members (Glynn, Giorgi & Lockwood, 2013) . Corporate culture refers to a series of practices, beliefs and ideologies that makes organizations distinct from other organizations (Hofstede et al., 2005). Dodek, Cahill and Heyland (2010) define corporate culture as an unseen yet uniting theme that gives meaning and a sense of direction to an organization. It simply is what personality is to an individual. According to Miroshnik and Basu (2014) corporate culture is basically the behavior of a firm and its structure; it's rooted in the company's goals, strategies, approaches to human resources and the community in general therefore making it an essential component of the organization. On the other hand, Hogan & Coote (2014) refer to corporate culture as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems. This study adopted the definition of corporate culture by Hogan & Coote (2014) because it encompasses the dimensions presented by the other two authors comprehensively.

There are many classifications of corporate culture that have been identified by various scholars. Miroshnik and Basu (2014) narrow down to four values on which they base their classification of

culture types; cooperative, competitive, passive and aggressive. Several scholars like Deshpande, Farley and Webster (1993); Quinn and Cameron (1999); Pinho, Dibb and Rodriguez (2013); Hofstede et al. (2005); Lund (2003); Keskin, Akgun, Günsel and İmamoğlu (2005) have adopted the following cultural dimensions in their studies: clan/consensual, adhocracy/entrepreneurial, bureaucratic/ hierarchical and market/competitive and analyzed their effect on strategy development.

On the other hand, Gregory, Harris, Armenakis and Shook (2009) use the following measures of culture; group culture, hierarchical culture, developmental culture, rational culture and balanced culture. However, the four culture types: consensual/clan, adhocracy/entrepreneurial, bureaucratic/hierarchical and market/competitive cultures classification has been widely adopted by many scholars (Deshpande, Farley & Webster 1993). This study adopted the market, adhocracy, bureaucratic and consensual culture as the four dimensions of corporate culture as proposed by Deshpande, Farley and Webster (1993); and used by scholars such as: Quinn and Cameron (1999); Pinho, Dibb and Rodriguez (2013) in order to contribute to consistency of how corporate culture should be conceptualized even as change comes up in organizations (Pinho, Dibb & Rodriguez 2013). To assess these dimensions of culture, scholars have developed four standard metrics of assessment even though there are many other lenses through which this culture type can be identified. The four metrics include: the type of leadership, value drivers, strategy for quality improvement and the theory of effectiveness (Pinho et al., 2013).

1.1.2 Operational Performance

Performance is a multi-dimensional concept conceptualized variedly by different sources of literature (Dalton, Todor, Spendolini, Fielding & Porter, 1980; Lenz, 1981; Steers, 1977). Performance also means different things in different contexts and organizations. Debates critiquing the goals of performance measurement, the process and systems for the same indicate the challenge arising from conceptualization of performance (Connolly et al., 1980; Steers, 1977).There are two broad categories of firm performance i.e. financial and non-financial performance. Traditionally, the success or failure of a business almost purely relied on financial performance indicators. Firm performance was viewed as a planning and control tool; capturing financial data, generating control feedback, influencing work behavior and monitoring strategy implementation. Over time

however, modern theories of performance have evolved and a mixed approach, both qualitative and quantitative outcomes of a firm are considered to establish the level of sustainability of a firm (Kaplan & Norton 2001; Cruz-Ros et al., 2010).

Non-financial performance often encompasses measuring a firm's operational performance (Cruz-Ros et al., 2010). The common indicators of operational performance include; speed of service/product delivery, flexibility, output quality and cost efficiency (Santos & Brito, 1996). Different scholars however operationalize performance differently: Deshpande et al. (1993) measured performance in terms of profit, size, growth and market share while other authors namely: Hooley et al. (1999); Smart & Conant (1994); Moore and Fairhurst (2003) used return on investment (ROI), Earnings Per Share (EPS) and profitability index to measure firm performance. Bhagwat and Sharma (2007); Maskell (2013); Gupta and Kumar (2013) proposed the following dimensions of operational performance: cost, flexibility, quality and service delivery which other sources refer to as competitive capabilities.

This study adopted the dimensions proposed by Bhagwat and Sharma (2007) to measure the operational performance of multinational companies in Kenya. However, although firm performance has the dual perspectives; financial and non-financial, Maskell (2013); Gupta and Kumar (2013); Kaplan and Norton (2001) argue that there seems to be limited attention on monitoring non-financial performance yet, in the current era of globalization, coupled with ever changing customers' and employees' expectations, businesses have no choice but to be concerned with non-financial performance. The non- financial aspects of performance were captured through service and flexibility performance.

1.1.3 Multi-National Companies in Kenya

According to Wambui (2011), MNCs are corporates based in the countries of origin but having subsidiaries in other countries in the international and global arena. The head-quarter company is referred to as the parent company. Multi-National Corporations (MNCS) are key stakeholders to the industrialization process of a country (World Bank, 2018).

The history of multi-national companies in Kenya dates back to the post-independence era. The

Government of Kenya instituted the implementation of a ten year Industrialization strategy running from 1964-1975. The East African Royal Commission fronted some recommendations geared towards attractive foreign and settler capital. The most outstanding feature in these strategies was the recognition of the crucial role of foreign investments, especially in the manufacturing sector (Coughlin & Ikiara, 1988). In 1964, the country had faced hefty foreign capital divestitures given the unfavorable conditions of the business as per the ease of doing business index. This made the government to put in place measures to avert this adversity before it took a serious toll on the country's economy. In 1968, the government instituted a New Projects Committee which served as a universal bargaining forum for the state on all investment facets of MNCs. The negotiation items for the committee included protection, government shareholding levels, tax exemptions, plans of Africanization, affiliated fees and levels management.

Over time, multi-national companies have been embraced in various economies in the world owing to their contributions to efficiencies, modernization of production, employment creation, technology transfer, integration, training and mobilization of resources. Mexico, Brazil, Algeria and South Korea constructed integrated economic structures through internationalization which led to the growth of MNCs in the countries. The Euromarkets have also been dominated by international finance capitalists over the long haul (Frieden, 1981).

A report by the International Monetary Fund revealed that the number of companies registered in Kenya had increased by 52.9% over a period of five years (Ministry of Industry, Trade and Cooperatives, 2018). This conclusion was based on data retrieved from the Kenya National Bureau of Statistics as at 2018. According to IMF, this increase is as result of registration of both domestic and foreign companies, with foreign companies' registration figures growing at a faster pace than that of the domestic companies. It is also notable that in as much as these companies are registering, a big percentage of them are yet to be listed in the Nairobi Securities Exchange. The report further identified a significant increase in foreign direct investment (FDI) with the United Kingdom as the leading source of FDI followed by China whose interaction with Kenya has been constantly peaking over the last 10 years.

Despite the increased entry of multinational companies into the Kenyan market, their operational

performance have steadily declined by a margin of 20% since 2007 and 28% in 2013 (Mugeni, 2013). Sanga (2017) affirms the decline by associating it to declining location specific advantages and political volatility. The operational performance of multinational companies in Kenya has been declining especially in the manufacturing sector (Kamau, 2016). This could be attributable to the nature of their operations that is perceived to be affecting the economic outcomes of firms. According to Nthiiga (2015), a report on the operational performance of multinational companiess revealed that 85 percent out of the sample of 95 multinational companies that he studied experienced decreased operational performance in the preceding year.

1.2 Problem Statement

As the world is changing rapidly and the business environment is becoming very dynamic, multi-national companies are forced to cope by innovating rapidly. However, many of them do not seem to have an idea of what products they will offer the market three years from today, the new job types they will create, the skills, expertise, opportunities and management practices they will need to foster to realize the desired outcomes. Technological advancement as one of the key drivers of this globalization has affected the way business practices are carried out therefore contributing largely to the corporate culture of firms.

Several scholars have set out to establish the influence of corporate culture on a number of variables and outcomes in a business. Dubey et al. (2019) conducted a study on **b**ig data analytics and organizational culture as complements to swift trust and collaborative performance in the humanitarian supply chain**.** The scholars disseminated email questionnaires in 373 organizations, including the military forces of different countries, government aid agencies, UN specialized agencies, international non-government organizations (NGOs), service providers and contractors. The findings suggested that managers can derive multiple insights from a multi-level confirmatory factor analysis in contexts with different management types and cultures. Kim and Park (2020) carried out a study to investigate the underlying mechanisms of online social media group behaviors in an emergency. The study was designed to analyze group behaviors/interactions and examine the main topics of interest around contemporary issues surrounding corporate and national culture. The study contributed to the understanding of the unique characteristics of group interactions and proposed a framework of developing operational strategies to effectively

communicate with the public, as well as other groups, as critical emergency information appears in an online social network.

Gambi et al. (2015) studied the relationship between organizational culture and quality techniques, and its impact on operational performance. The scholars adopted four culture profiles from the competing values framework and found that corporate culture does not appear to be an unequivocal predictor of the use of quality techniques. Furthermore, while most quality technique groups contribute indirectly to the total effect on operational performance in the developmental, group and hierarchical cultures, the performance effects are insignificant for all four groups in the rational culture. The dimensions of culture proposed by different scholars lack consistency hence leading to a greater variability in findings. The controversy therefore exists on the nature and degree of influence that corporate culture has on operational performance of firms.

Another group of authors, Al-Ali et al. (2017) studied the mediating role of organizational culture in change management through leadership among public sector firms in the United Arab Emirates. The study was aimed at examining the influence of change leadership on organizational culture and change management practices. The findings suggest that change-oriented leadership has a positive and significant direct effect on planned change and a positive and significant but indirect effect on emergent change. Furthermore, hierarchical culture was found to positively and significantly impact directly on both planned and emergent change management in the UAE public-sector service organizations. Wei, Samiee and Lee (2014) studied the influence of organic organizational cultures, market responsiveness, and product strategy on firm performance in emerging markets in China. The study found that there was a positive correlation between all the variables and firm performance. In this study bureaucratic culture represents hierarchical culture and change-oriented/organic culture is represented by adhocracy culture.

Scholars have sought to establish the effect of various dimensions of culture on firm performance however, there is paucity in literature in explaining the significance of corporate culture and if this remains unknown, its effective management might not be optimized. This study therefore sought to establish the influence of culture on the operational performance of MNCs in Kenya. The study sought to determine the significance of market, adhocracy, bureaucratic and consensual culture by

conducting a quantitative survey to measure the influence of the four dimensions of culture on operational performance

1.3 Research Objectives

The main objective of this study was to determine the influence of corporate culture on the operational performance of multinational companies in Kenya.

1.3.1 Specific Objectives

i. To determine the influence of market culture on operational performance of MNCs in Kenya.
ii. To establish the influence of adhocracy culture on operational performance of MNCs in Kenya.
iii. To determine the influence of bureaucratic culture on operational performance of MNCs in Kenya.
iv. To establish the influence of consensual culture on operational performance of MNCs in Kenya.

1.3.2 Research Questions

i. What is the effect of market culture on operational performance of MNCs in Kenya?
ii. What is the influence of adhocracy on operational performance of MNCs in Kenya?
iii. What is the influence of bureaucratic culture on operational performance of MNCs in Kenya?
iv. What is the effect of consensual culture on operational performance of MNCs in Kenya?

1.4 Significance of Study

An extensive research on the effect of corporate culture on the operational performance of Multinational Companies will be important to the management of MNCs in terms of managing and implementing strategy-driven practices that support internationalization, successful market entry and sustainable performance. It will be an additional point of reference to managers working with a diverse workforce in a global arena.

The study will contribute to policy development in various organizations facing people management challenges. It will specifically contribute to effective organizational policy execution in terms of various human resource practices such as recruitment & selection, performance management, motivation, training and development and lastly human resource planning by selling out best practices for optimal performance in different contexts and task scenarios.

This study contributed to the existing body of knowledge on corporate culture and organization performance. This was achieved through creating an understanding of how the various elements of culture contribute to performance and whether or not there is inter-dependence among the variables.

1.5 Scope of the Study

The study was limited in scope to determine the relationship between various elements of corporate culture and operational performance of multinational companies. The study focussed on all the 238 foreign multinational companies in Kenya (the entire population from which a sample of 150 was drawn). The target respondents were both senior and junior level employees in these organizations. The methods scope was limited to a quantitative research approach and took place between January and July 2020.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature from other researchers relating to corporate culture and operational performance. This section describes the model of corporate culture and theories relevant to the study. The empirical review is organized around the research objectives followed by an analysis of the research gap and the conceptual framework showing the existing relationship between the variables of the study.

2.2 Theoretical Review

Scholars have developed multiple theories which explain the concepts of corporate culture and firm performance. This research study was anchored on two main theories: Edgar Schein Model of Organization Culture and Contingency Theory.

2.2.1 Edgar Schein Model of Organization Culture

The Schein Model was developed through an empirical research study carried out by Edgar Schein in 1992 (Quick & Gavin, 2000). The scholar proposed a three level model of corporate culture with the aim of explaining culture in a corporate setting. This model explains the composition of corporate culture and its influence on employee attitude, conduct, behavior and degree of influence on how they perform tasks and relate with other people within the organization. Schein (1992) disintegrates culture into three levels by arguing that cultural attributes are either recognizable or cognitive convictions. Schein's model is based on the premise that the ability of employee to attain organizational goals lies deep in cultural alignment which in return triggers motivation, satisfaction and performance (Schein, 2010).

This model is layered at three levels, the outer-most being artifacts and behaviors. The author ; Schein (2010) describes elements in this category as cultural aspects that are made visible by the stakeholders of the organization. These characteristics of the organization may be physical and employees can hear and feel them effortlessly. They include tangible elements such as; furniture, processes, systems of communication, displays, dress code, procedure and management practices. The middle level of the model consists of espoused values and beliefs. These elements are

described as individual moral principles, standards and norms that are pursued by employees and the organization at large. They are not easily observable and therefore the way they are communicated within the organization determines the behavior of the organization to a greater extent (Schein, 1992). The outer layer of the model makes up core elements of culture which are not easily discernible but are very important in determining cultural differences across organizations especially in instances where culture is a policy and strategy tool. The elements in this category encompasses the menial, unconscious, intangible actions that are often taken for granted and go unnoticed. This is the core of corporate culture and the backbone of cultural influence.

The Edgar Schein model of organizational culture was used in establishing the context of culture in an organization. The researcher later reclassified the identified elements of culture across the proposed three levels into the four culture types proposed by Deshpande et al. (1993): market, adhocracy and bureaucratic cultures. Each of these organizational culture types have specific indicators based on the Schein's proposed elements; Clan culture, is measured as personal work environment, levels of cohesion, morale, loyalty, mentor-style leadership and tradition. Adhocracy culture has been operationalized as: growth emphasis, innovation, risk taking, entrepreneurial dynamism and leadership. Bureaucratic culture is measured in terms of presence of rules and policies, stability, formalization and coordinator-style leadership. Lastly, market culture is measured by assessing: goal-oriented leadership, competitiveness, task accomplishment and production-oriented targets (Pinho, Dibb & Rodriguez 2013).

One of the fundamental advancements made by the theory is that corporate culture is not built in a day and therefore their revolutions are equally rare events. Edgar Schein's model however fails to qualify and quantify how various circumstances in an organization affect both the behavior and outcomes of an organization hence has been criticized for its weak link between culture and performance. However, it is evident that it satisfactorily explains the cultural compositions of organizations and their importance. The model conclusively recommends frequent monitoring of practices, norms and behavior in organizations, given the logic that they could lead to both pervasive and controlled outcomes, whether financial or non-financial. This model informs this study in as far as the broader classification of cultural elements under the four culture types:

bureaucratic, market, adhocracy and consensual culture is concerned with the aim of making them more perceptible in the organization.

2.2.2 Contingency Theory

The theory was developed by Fred Fielder in 1958 during his research on the effectiveness and fit of leadership styles in an organization (Match, 2015). The contingency theory postulates that there is no one defined way of leading an organization that will automatically result into success and increased performance. It addresses the management practice component of culture and its specific influence on individual action, motivation and performance. The aggregation of this influence on individuals generally determines the outcomes of managerial practices of the organization. The model recognizes existing internal and external constraints that could interfere with an ideal course of action (Wadongo & Abdel-Kader, 2014). According to Tillotson (1980), organizational complexities pose a huge challenge to leadership especially in multi-national corporations. Organizations from multiple origins across the world host a diversity of people who can be extremely autonomous and therefore management has a crucial role in ensuring that the organization's environment is sustainable by aligning employees' interests with the organization's vision, mission, values and norms (Tillotson, 1980).

Ideally, according to this theory there exists an optimal organizational structure that can generate optimum outcomes for the organization. However, in practical sense, this structure cannot be instituted easily because of constraints such as leadership style, technology adoption, size of the organization, dynamism and adaptation to strategy changes (Abdel-Kader, 2014). These factors vary not only from one macro environment to another but also from one organization to the next, sometimes, even within the same organization due to complexity of systems. Fielder (1958) devised an operationalization tool for leadership effectiveness to boost the application of the theory. The tool, is commonly known as the least preferred co-worker scale (LPC). The purpose of the tool is to measure management orientation; task versus relationship orientation. The leader engages in a test and rates co-workers by choosing between 18-25 values and adjectives on an 8-point scale. Then ranks the co-workers to identify the least preferred co-worker.

In the context of this study, a firm is considered to have achieved superior operational performance when it recorded a reduction in cost per unit of product produced or service offered. For a product-making MNC, the elements of cost include: the manufacturing cost, operational cost, service charges, transaction cost and value- added cost (Bhagwat & Sharma, 2007). For the service providers, a large proportion of the cost will be service cost, equipment cost, operational cost and other fees. Additionally, flexibility was assessed through evaluating processes, designs, volume, product development and product/marketing mix actions of the firm (Maskell, 2013). Flexibility of mix and volume are more outward looking and consumer oriented and therefore most prioritized by studies. It involves action like adoption of new systems, decisions on new product development, alteration of processes etc.

For quality performance, superior quality in service is achieved when the organization surpasses the expectations of its clientele (Gupta & Kumar,2013). Technically, the gap between expected and delivered service and ratings of competitors' service delivery define quality performance in the service industry (Gupta & Kumar, 2013). Lastly, service performance is largely determined by the service quality aspect of performance (Gupta & Kumar, 2013). Employees are important stakeholders in achieving superior service performance because of their constant and repetitive interaction with customers at the point of service. Customer feedback is an effective avenue of rating service performance of a company (Lytle and Timmerman, 2006).

Conclusively, with the right behavior, leadership gains the best opportunity of success and performance because a specific context could encourage workers to share creative ideas and opinions regarding the direction to accomplish purposes and objectives while showing high commitment to the expected outcomes (Jing & Avery, 2008). This theory has been used in this study to complement Schein's model by linking leadership issues, organizational situations and terminal organizational outcomes. The contingency theory, explains the leadership relationships in a firm and the constraints affecting the ability of the relationships from realizing intended outcomes. The theory contributed to the development of the research instrument under the leadership aspects market culture, adhocracy culture, bureaucratic culture and consensual culture. The elements were later modelled to establish the influence of various leadership practices on operational performance.

2.3 Empirical Literature Review

This section presents a review of existing empirical studies carried out on corporate culture and organization performance. It is organized around the research study objectives and it summarizes findings and gaps in the relationship between corporate culture and performance.

2.3.1 Market Culture and Operational Performance

On the nature of the relationship between market culture and operational performance Olson, Slater and Hult (2005) argue that developing strategies and appropriate organizational tasks is the most effective way of converting personal goals and transforming individual efficiency levels into desired levels of firm operational performance. This suggests that market culture is a key trait in assessing the operational performance of an organization. Market culture is a goal-oriented culture that focusses on accomplishment of tasks and achievement of expected results and outcomes. Market culture establishes a highly competitive environment for both the leaders and the employees (Smith & Smith 2007). Leaders have high expectations and inclination towards reputation and the consolidated vision is that unit wins constitute an organizational win.

Cui and Hu (2012) carried out a critical literature review on organization culture and corporate performance. The researchers reviewed 87 articles and recommended areas for further research. One area was examining the possibility of an existing but hidden mediator variable and the other was encouraging researchers to focus on non-financial variables of corporate performance while alluding that much had been done regarding financial performance. Additionally, this study sought to determine the effect of corporate culture on operational performance to fulfill the gap arising from the critical review by Cui and Hu (2012).

Kerr and Slocum (2005) examined how corporate culture can be managed through reward systems. The study assessed the link between reward systems and corporate culture among companies in the US. The researcher adopted a qualitative research design and interviewed 75 human resource managers across 14 companies. The study concluded that there are two broad types of reward systems, hierarchy based and performance-based reward systems. The scholars further extended the study and investigated the relationship between these systems and firm growth. The findings were that performance-based reward systems were mostly employed by evolutionary firms which

this study classifies under market culture. This study assimilated this view and classify market culture as a goal-oriented and target-based trait of corporate organization.

Empirical evidence from studies has shown that the ability of a company to compete, meet it targets, forge effective partnerships and involve critical stakeholders leads to the development of a favorable reputation (Tian & Qi, 2006). Superior reputation leads to higher performance, consequently, organizational productivity improves as a result of employee satisfaction and commitment to the reputable institution, thus generating efficiency spill overs (Tian & Qi, 2006). The achievement of non-financial goals set in the organization contributes to superior performance and the contractual nature of engagement might affect productivity due to insecurity thus leading to higher costs (Bititci et al., 2006). Lohman, Fortuin and Wouters (2004) also added that for high operational performance to be achieved, organizations must consistently provide feedback to individual employees and review their operational targets with flexibility.

A different school of thought San-Park and Kim (2009) however found that market culture is susceptible to unforeseen scenarios in the business environment. Poku, Owuku-Ansah and Zakari (2013) conducted a study on the relationship between corporate culture and organizational performance among commercial banks in Ghana. The scholars argued that majority of studies on corporate culture and firm performance concentrated on developed countries and markets. The study was anchored on Denison's organization model of culture and variables were measured using a 5 point likert scale. Data was collected from 9 commercial banks constituting 60% of the industry market share and a total of 296 respondents were engaged in the study. The study revealed that commercial banks exhibited different culture traits/ dimensions but there was no significant differences in innovation and performance. This study was anchored on Edgar Schein's model of culture and the contingency theory to overcome the weaknesses of Denison's model of organizational culture (Denison, Haaland & Goelzer, 2004).

2.3.2 Adhocracy Culture and Operational Performance

Adhocracy culture is characterized by organizational learning geared towards improving the acquisition of knowledge, skills, competencies and other capabilities hence improving innovativeness in the organization (Noe, Holleneck, Gerhart & Wright, 2017). Adhocracy culture

is embedded in a dynamic, ever changing and creative work environment. This dimension of culture is characterized by high levels of risk taking, experimentation and innovation in the organization backed up by the prominence and support of leadership. The key features of this culture type is high degree of freedom and personal initiative (Smith & Smith, 2007).

Zheng, Yang and McLean (2009) undertook a study linking corporate culture, structure, strategy and organizational effectiveness with knowledge management as a mediating variable among firms in China. The scholars collected data through the use of a survey across 301 companies. The findings were that the impact of corporate culture on organizational effectiveness is fully mediated by knowledge management while the impact of corporate structure and strategy and organizational effectiveness is partially moderated by knowledge management. Other scholars that argue that there is a moderating variable between corporate culture and firm outcomes include: Ehrhart (2004); Blome and Schoenherr (2011).

Scott, Mannion, Davies and Marshall (2003) carried out a study on the quantitative measurement of corporate culture in health care. The study was an empirical review on various measures of corporate culture available for the healthcare industry in London. The scholars examined more than 1700 available records and identified the measurement methods adopted in each of them. The findings were that there exists a range of quantitative instruments with varying characteristics that researchers can adopt in measuring corporate culture. Each of these instruments have limitations with reference to ease of use, context, scope, scientific properties and conceptualization of corporate culture. The current study instead focussed on the effect of corporate culture on operational performance of firms in Kenya. The instrument of measurement was a five-point likert scale for each of the constructs of corporate culture.

Odhiambo, Kibera and Musyoka (2015) assessed the influence of corporate culture and marketing capabilities on performance of microfinance institutions in Kenya. The study adopted a descriptive cross-sectional survey design and a positivist- deductive philosophy. The population of the study was the 55 registered MFIs and there was no sampling. Data was collected using a structured questionnaire and the findings were that corporate culture has a positive and significant influence on firm performance. The study recommended the use of a triangulated approach to overcome the

limitations of the cross-sectional research design. Guiso et al. (2015) assessed the importance companies attached to their values and norms. The authors' analysis of companies' web pages revealed that 85% that fall in the Standard's and Poor's 500 listing have dedicated a section or two to corporate culture. The controversy in the findings however revolves around the fact that these proclaimed values, principles and norms appear irrelevant.

Another author, Isaboke (2015) conducted a study on the influence of corporate culture on strategy implementation among universities in Kenya. The researcher sampled out 103 university employees out of a possible 1026 by using a proportionate stratified sampling technique and obtained primary data using a questionnaire. The study found that organization culture had a strong influence on strategy implementation in institutions of higher learning. However, the limitation of this is that a sample of 10% may not be representative. Other scholars that have agreed with these findings include: Harris and Ogbonna (2000); Barney (2001). This study sought to establish how actively a firm can innovate and the controversy arising from costs incurred due to failure that end up affecting the positive relationship between adhocracy culture and cost performance.

2.3.3 Bureaucratic Culture and Operational Performance

Bureaucratic organizations are highly centralized and tend to be characterized by high levels of formalization, specialization, hierarchy and a lack of flexibility (Takeuchi, Lepak, Wang & Takeuchi 2007). Fielder (1958) proposes that there is a correlation between leadership traits and leadership effectiveness. Bureaucratic culture is defined as a procedural, structured and formalized work environment with clear guidelines on what is generally acceptable and what is unacceptable. Its success is based on the smooth running of the functional areas of the organization, low operational costs and achieving efficiency through a set of established policies (Smith & Smith, 2007). This culture type is characterized by extremely low tolerance for uncertainty, risk and ambiguity. The most prominent value drivers are consistency, homogeneity and efficiency.

Anecdotally, one of the measures of leadership effectiveness is performance. This theory therefore passively relates leadership (one of the key elements of corporate culture management) and performance. The scholar generated a three- variable framework that has been widely used in classifying organizations based on traits. The three variables are based on acceptance of leadership,

description of tasks and individual authority. The theory advances that leadership effectiveness is based on influence and leaders will exert more influence if they have good relationships with their employees (Ryan, 2012). Consequently, organizations that have well spelt out tasks have more influence on their employees than those organizations with unstructured ad hoc tasks.

Empirical studies have indicated the benefits of these bureaucracy traits as follows; serves to support constitutional order, thereby assisting employees in mastering their tasks more efficiently (Heinrich, 2003; Powell & DiMaggio 2012). Lee and Yu (2004) examined the influence of corporate culture on organizational performance among firms in Singapore. The study was aimed at establishing if corporate culture can be operationalized along distinct repeatable dimensions and consequently how corporate culture affects performance of organizations if found to be multi-dimensional. The study used the corporate culture profile as the main instrument and found that corporate culture affects numerous organizational processes and consequently, organizational performance, while the current study benefited from the findings of the study above by making use of the profile matching tool and taking cognizance of the findings regarding the multiple dimensions of corporate culture while focusing on the four dimensions stated in the research objectives.

Lok and Crawford (2004) carried out a study on the strength of corporate culture and the reliability of firm performance among companies in New York. The researcher adopted stratified random sampling across numerous firms in various industries with relatively stable environments. The findings were that; firms with strong corporate culture experienced less variability in performance over time whilst in highly volatile environments, the advantages of strong corporate culture become negligible. From these findings, it is evident that the researcher used a longitudinal research design. Bureaucratic culture can lead to inefficient systems by breeding highly specialized individuals with limited ability to take up cross over opportunities that may arise within the organization (Saffold, 2005). On the contrary in this study, the researcher adopted a cross-sectional descriptive research design.

In today's dynamic business environment, bureaucratic forms are still exhibited to yield high organizational inefficiency (Saffold, 2005). Consequently, it can be concluded that bureaucratic

cultures will be associated with organizational inefficiency. Authors have however not agreed on a balance between bureaucratic efficiencies and bureaucratic inefficiencies making it difficult to establish concretely if bureaucratic culture affects operational performance positively or negatively (Tekauchi et al., 2007; Lee & Yu, 2004).

2.3.4 Consensual Culture and Operational Performance

Existing literature on corporate culture reveals that the concept consists of several indicators as conceptualized by various researchers globally, regionally and locally (Deshpande et al., 1993; Quinn & Cameron, 1999; Pinho et al., 2013; Hofstede et al., 2005; Lund, 2003; Knights & Willmott, 2012; Keskin et al., 2005). Berson, Oreg and Dvir (2008) conducted a study on CEO values, corporate culture and firm outcomes in Israel. Consensual culture is defined as a set of values that make up an internally oriented value system which focuses on tradition, loyalty and internally controlled mechanisms of the firm (Guiso et al., 2011). This culture type is characterized by high levels of people involvement, participation, and team work. The priority value drivers are employee development, open communication and commitment. In this study, the scholars assessed the relationship between CEO values and corporate culture then corporate culture and firm performance. The respondents included: 26 CEOs, 71 senior vice presidents and 185 operational staff who formed the majority. The study used a longitudinal research design with data being collected at two different points in time. The researchers found that different cultural dimensions (bureaucratic, supportive and innovation-oriented cultures) constituted different associations with firm outcomes including sales growth, firm efficiency and job satisfaction. In this study, data was collected by use of researcher-administered questionnaires and the research study design was be cross-sectional.

Cultural change in a corporation can be instituted by recruitment, laying –off, employee training and development are continuous strategic activities of human resource management (Bennet & Durkin, 2000). Therefore, corporations make deliberate efforts to select values by selecting people. The person-organization fit (P-O) Framework is one of the tools that has been effectively adopted in the psychological perspective of corporate culture. This perspective evaluates the compatibility of individuals and organizations and how the culture of either affects the outcomes of their actions (O'Reilly, 1989). Most organizations look out for individuals whose values are aligned to the

values of the organization. This is because they are avoiding the more difficult strategy of changing their minds and getting them to adopt new values which they may end up not living.

O'Reilly et al. (1991) further developed a profile matching tool to help in diagnosing and assessing P-O fit. The tool ranges from low perceived fit to high perceived fit versus low actual fit and high actual fit backed up by elements such as value congruence. Some organizations also put in some punishment or retribution measures on employees who deliberately fail to adapt to the organization's way of doing things. These punishments may include but are not limited to deferred promotions (Guiso et al., 2003). The constructs around the development of the framework are; individual perceptions of their organizational fit creates expectations regarding the job tasks to be executed. The satisfaction of these expectations lead to positive attitudes and behavior, however failure to meet these expectations may lead to very poor job attitudes (Miroshnik & Basu, 2014). Guiso et al. (2003) adopted Schein's model in qualifying why culture in organizations is a tangible and measurable aspect with defined organizational outcomes. They conducted a comparative analysis on national versus corporate culture. The authors argue that, in large societies, only the difficult strategy with regard to cultural alignment is available since people don't choose to belong to societies and therefore there is no selection process, this in turn makes slow adaptation hard to punish, unless slow-adapters are out- lawed, which if done, insinuates that culture and law are indistinguishable.

Second Guiso et al. (2003) found that, it is easier to establish the link between corporate culture and firm performance as opposed to national culture and country performance. This is because performance of firms is usually continuously recorded, both for the corporation as a whole and for its segments and divisions in order to implement various strategic objectives and initiatives. Hence, one can study the role of shared norms and belief while controlling for the power of economic incentives such as compensation. Finally, because firms break up and merge much more often than countries, an observer can collect exposure of a firm to a new culture much more often than one can for larger societies (Guiso et al., 2003).

Another scholar, Lund (2003) carried out a study on corporate culture and job satisfaction among companies in USA. The research design adopted for the study was cross-sectional survey. The

study used stratified sampling approach and targeted professional marketers as the ideal respondents in each of these firms. The findings were as follows: each cultural dimension affected the level of job satisfaction differently implying that there is a positive correlation between consensual culture, adhocracy culture and job satisfaction; and a negative correlation between bureaucratic culture, market culture and job satisfaction. According to Barney (2001), strong corporate culture improves attitudes, behavior, productivity, customer relations, employee relations and consequently, the operational performance of a firm. Furthermore, corporate culture is an intrinsic aspect of the firm that can be very difficult to imitate therefore making it a lucrative source of competitive advantage. It is considered as one of the most effective approaches to motivating employees and maximizing the value of people in a firm. In this study, the researcher sought to determine the four dimensions of culture (bureaucratic, consensual, adhocracy and market culture) and their effect on operational performance.

On the other hand, other authors; Buchanan and Huczynski (2004); Huey and Zaman (2009); Garcia-Morales et al. (2008); Odhiambo (2014); Indeje and Zheng (2010) established the effect of corporate culture as a single construct on organizational outcomes. Odhiambo (2014) examined the relationship between corporate culture, marketing capabilities, market orientation, industry competition and performance among micro finance institutions in Kenya. The researcher adopted a descriptive cross-sectional survey design and used a positivist research philosophy. The sampling technique was based on the techniques adopted by earlier studies data was collected from 55 micro finance institutions, stratified by industry tier. Corporate culture was measured using a 5- point rating scale and the study found a non-significant linear relationship between corporate culture and operating expense (Gracia-Morales et al., 2008; Odhiambo, 2014). While this study was based on other variables affecting micro finance institutions, the current study determined the effect of each of the dimensions of corporate culture on the operational performance of MNCs in Kenya.

Indeje and Zheng 2010 conducted a study on corporate culture and information systems implementation in the public service sector in Kenya. They undertook a project case study of the implementation of IFMIS and anchored their study on the structuration theory. The study design was qualitative, an ethnographic research approach was adopted with document reviews, participant observation and semi-structured interviews. The study found that corporate culture had

a strong effect on the development and implementation of financial information systems (Buchanan & Huczynski, 2004); Huey & Zaman 2009). Expense being a factor of cost, this study sought to establish the relationship between corporate culture and operational efficiency. In this study the researcher adopted a quantitative research design in line with the research study objectives.

2.4 Research Gap

Empirical studies so far available on corporate culture and operational performance reveal mixed results. Lok and Crawford (2004) further affirm this by stating that the rationale for studying corporate culture is that it can influence terminal outcomes based on the effect it has on employee commitment and performance. Li, Lam and Qian (2001) however criticised these findings, stating that with respect to studies on joint ventures, the effect of culture on the behavior and performance of joint ventures still remains unclear. Poku et al. (2013) agrees with the authors and argues that in as much as existing studies link strong corporate culture to the improved firm performance by enabling its internal behavioral consistency, these firms basically excel at an incremental and sometimes intermittent pace. Their strong cultures have led to a lot of operational difficulties especially in highly volatile business environments.

Guiso et al. (2014) upon trying to correlate the frequency and prominence of these patterns, found that there was no significant correlation observed concluding that advertised values are possibly not as important and suggest an alternative measure of these patterns. Consequently, the authors advance this argument and recognize other possibilities by arguing that, in as much as existing correlations do not prove causation, the importance corporates have attached to culture could be justified as has been proved by models proposed by other scholars. In addition, scholars have approached the concept of corporate culture and performance using various methodologies. Mittring, Pérard and Witt (2013) used a qualitative approach while arguing that culture is composed of soft attributes that should be measured circumstantially and can easily be based on opinion. Other scholars that used a similar approach include: Branco & Rodrigues (2006); Setthasakko (2009); Cooper (2000). These scholars preferred interviews as the best method of data collection. Other scholars have measured the variables quantitatively through the use of surveys (Scott, Mannion, Davies & Marshall 2003). Saffold (2005) argues that qualitative studies must not

be measured by the criteria used in quantitative investigations which are most appropriate in carrying out trait studies. Using qualitative studies may be deficient in culture-oriented research because simplifying assumptions and biases could significantly affect the integrity of the findings.

Corporate culture is thus a multi-dimensional concept and performance is equally a multi-theoretic construct, often conceptualized variedly in different industries therefore leading to a variation of findings across studies. According to Ahmad (2012), some aspects of corporate culture may generate superior performance in specific settings and contexts while resulting in highly dysfunctional or inefficient performance in others especially when there exists significant regional differences and consumption patterns. Kandula (2006) argues that the same strategies can fail to generate the same results to different organizations in the same nation, industry and location due to significant differences in their corporate culture. According to Tian & Qi (2006), empirical studies have generated little evidence to prove the influence of corporate cultures on both financial and operational performance (Tuan, 2010; San-Park & Kim 2009; Matiwos. 2019). This study therefore sought to demystify susceptibility of operational performance of firms to various cultural dimensions. The knowledge gaps arising literature review are summarized in Table 2.1.

Table 2.1: Summary of Research Gaps

Scholars	Study objectives	Findings	Research Gaps
Berson, Oreg and Dvir (2008)	To assess the relationship between CEO values and firm performance. To assess the relationship between corporate culture and firm performance.	Different cultural dimensions (bureaucratic, supportive, and innovation-oriented cultures) constituted different associations with firm outcomes including sales growth, firm efficiency and job satisfaction	**Methodological gap** The study used a longitudinal research design with data being collected at two different points in time. In this study, Data was collected by use of self-administered questionnaires and the research study design was cross-sectional.
Lund (2003)	To examine the relationship between corporate culture and job satisfaction.	Each cultural dimension affected the level of job satisfaction differently implying that there is a positive correlation between consensual culture, adhocracy culture and job satisfaction; and a	**Empirical gap** In this study, the researcher sought to establish the four dimensions of culture (bureaucratic, consensual, adhocracy and market culture) and their effect on operational performance.

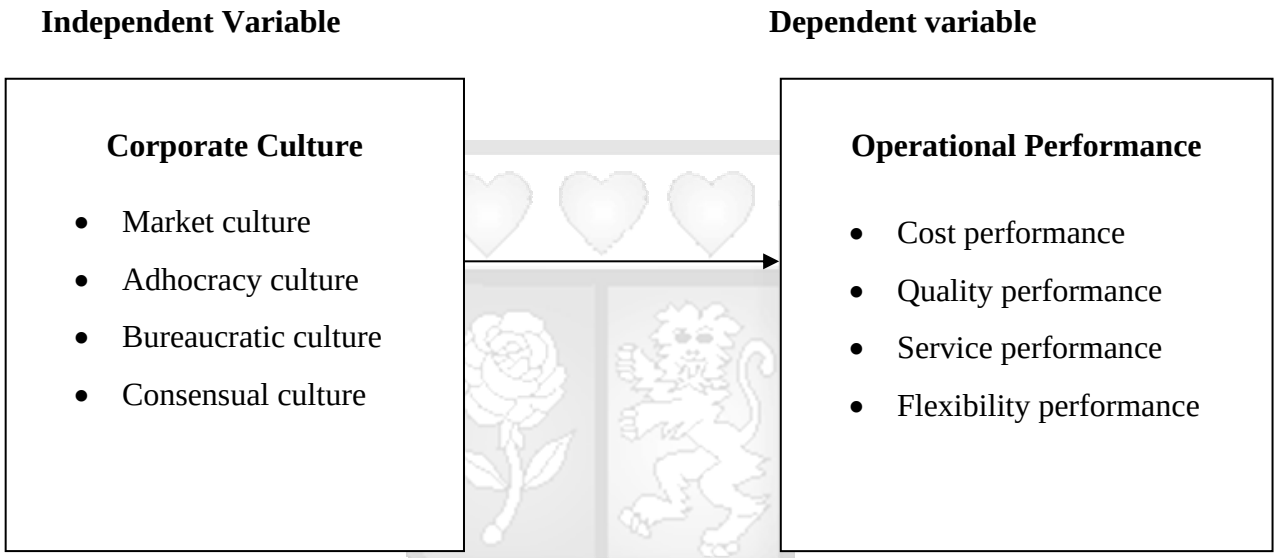
		negative correlation between bureaucratic culture, market culture and job satisfaction.	
Scholars	**Study objectives**	**Findings**	**Research Gaps**
Odhiambo (2014); Gracia-Morales et al. (2008); Odhiambo et al. (2013)	To examine the relationship between corporate culture, marketing capabilities, Market orientation, industry competition and performance among MFIs in Kenya.	There exists a non-significant linear relationship between corporate culture and operating expense.	**Empirical gap** This study sought to determine the relationship between corporate culture and operational performance to address the non-financial aspects of performance.
Indeje and Zheng (2010)	To assess the effect of corporate culture on the implementation of information systems in the public service sector in Kenya.	Corporate culture had a strong effect on the development and implementation of financial information systems in the public service sector.	**Contextual gap** This study focused on the corporate sector, specifically multi-national corporations. **Methodological gap** To complement what Indeje and Zheng (2010) did using a qualitative research design, this study addressed its objectives quantitatively to provide comparable grounds for the outcome of each methodology.
Lee and Yu (2004)	To establish if corporate culture can be operationalized a long distinct repeatable dimensions To assess how corporate culture affects performance if found to be multi-dimensional.	Corporate culture affects numerous organizational processes and consequently, organizational performance.	**Theoretical gap** This study adopted the dimensions of corporate culture proposed by Deshpande 1993 to study the influence of each dimension on performance.
Poku et al. (2013)	To examine the relationship between corporate culture and organizational performance among commercial banks in Ghana.	Majority of studies on corporate culture and firm performance concentrated on developed countries and markets.	**Contextual gap** This study sought to establish the relationship between corporate culture and organizational performance of MNCs in Kenya to address the gap on the focus on developed countries.

Source: Author (2020)

2.5 Conceptual Framework

Arising from the literature review, the researcher conceptualized operational performance of multinational companies in Kenya is influenced by corporate culture existing within each respective organization. This conceptualization is depicted in the framework shown developed a conceptual framework shown in figure 2.1.

Figure 2.1: Conceptual Framework



Source: Author (2020)

The conceptual framework above explains the relationship between corporate culture and operational performance. In this study, corporate culture was measured as four dimensions: bureaucratic culture, market culture, adhocracy culture and consensual culture while operational performance was measured as an aggregate of cost performance, flexibility performance, service performance and quality performance.

2.6 Operationalization of Variables

Arising from the empirical literature review, the researcher adopted the following definitions and measures as listed below:

Table 2.2: Operationalization of Variables

	Construct	Adopted Definition	Measurement	Supporting Literature
Corporate Culture (Independent Variable)	Consensual Culture	Teamwork and social commitment making employees to perceive higher social obligations in the organization beyond trade of labor and benefits. Personal accountability levels are very high in organizations with this cultural orientation and employees tend to develop high commitment and trust	A five-point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Tuan 2010; Smith & Smith, 2007; Easterly, Ritzen &Woolcock 2006)
	Market culture	Degree of competitiveness and customer focus while strategies for quality improvement include; involvement of suppliers and customers, forging external partnerships and alliances, improving productivity and encouraging competition.	A five-point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Tuan, 2010; Smith & Smith, 2007; Easterly, Ritzen and Woolcock 2006)
	Bureaucratic Culture	A long term corporate orientation, formal structures and hierarchies. The main objective is to achieve stability and order	A five-point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Smith & Smith, 2007: Tuan, 2010; Easterly, Ritzen & Woolcock 2006)

	Construct	Adopted Definition	Measurement	Supporting Literature
	Adhocracy culture	Highly entrepreneurial and characterized by risk, creativity, spontaneity and dynamism. This dimension of culture leans towards adapting to and even creating change.	A five-point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Tuan,2010; Smith & Smith, 2007; Easterly, Ritzen & Woolcock 2006)
Operational performance (dependent variable)	Cost performance	Capital, operational resources, value added cost and other complementary resources required.	A five point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Gupta & Kumar, 2013;Maskell 2013; Bhagwat & Sharma, 2007)
	Quality performance	Product features, size, life span, maintenance capabilities and specifications.	A five point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Gupta & Kumar, 2013; Maskell 2013; Bhagwat & Sharma, 2007)
	Flexibility performance	The ability of a company to adapt to changes in market dynamics, consumption patterns and the general environment. Flexibility acts as a mechanism to beat uncertainty and the quick response in terms of processes is perceived to improve performance	A five point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Anand & Ward, 2004; Bhagwat & Sharma, 2007)
	Service performance	Speed, quality and reliability of service processes and service offerings.	A five point likert scale was used where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Maskell, 2013; Bhagwat & Sharma, 2007)

Source: Author (2020)

2.7 Chapter Summary

This chapter discussed the theories on which the study was anchored as well as the empirical studies prior scholars have carried out on corporate culture and performance. The inherent research gaps arising from the empirical studies were summarized. The conceptual framework was derived showing the interrelationships between variables and the operationalization table summarizes the description of variables and their measures.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used to address the research problem. The chapter covers the research philosophy, research design, context of study, target population, the sample and sampling procedures, instruments, validity and reliability of instruments, data collection and analysis procedures that were used in this study.

3.2 Research Philosophy

Research philosophy is defined as the belief that a researcher holds regarding the appropriate way in which data should be collected, analyzed and used (Alavi & Carlson, 1992). There are various approaches that can be adopted by scholars; positivism, interpretivism, critical realism and pragmatism (Abardeen 2013; Yin 2009). This study adopted a positivism as a research philosophy by assuming precise and clear-cut knowledge. Unlike the interpretivist approach where the researcher is subjective, in this study the researcher was objective, neutral and independent so as not to interfere with the study findings and data collected (Alavi & Carlson, 1992). On the other hand, pragmatism considers a concept to be relevant only if it supports action by incorporating more than one research approach. Research studies that have adopted a positivist approach have largely used quantitative methods to generate measurable facts through deductive reasoning (Repko & Szostak, 2020).

According to Ghauri, Gronhaug and Strange (2020) a positivist research approach are statistically quantifiable and observable. Unlike the other philosophies; interpretivism, postmodernism, critical realism and pragmatism, the positivism approach generates law-like findings and generalizations. In this study, the deductive approach was used to explain the relationship between corporate culture and operational performance. This implies that data was collected, analyzed and predictions given based on existing and proven theories. Positivism was considered the best approach for this study, given that it guides the researcher towards empirical science and the deterministic philosophy that corporate culture determines firm outcomes such as operational performance, which are they key variables of the study and therefore the data presented shaped the findings as opposed to subjective judgement (Levitt et al., 2012).

3.3 Research Design

According to Lopes and Rodrigues (2020) the research design must appropriately integrate the study components logically and coherently in a manner that offers a solution to the problem statement. This study adopted a quantitative methodology, specifically a descriptive cross-sectional research design. Descriptive analysis was used to establish the strength and direction of relationships between the independent and dependent variables (Cooper & Schindler, 2006). The descriptive design was supported by cross-sectional primary data collection which was preferred by the researcher based on the time frame provided for the study and the resources available at the researcher's disposal.

The cross-sectional survey technique was therefore employed in establishing the influence of each culture type on operational performance of the multinational companies in Kenya. The researcher was able to collect data on all the variables at the same time while monitoring the multiple outcomes on the influence of each of the independent variables, that is: market, adhocracy, bureaucratic and consensual culture (Cooper & Schindler, 2006). Scholars who have adopted the descriptive cross-sectional survey design include: Saffold, (2005); Scott, Mannion, Davies and Marshall (2003); San-Park and Kim (2009); Matiwos (2019).

3.4 Population of the Study

The study population comprised the 238 foreign multinational companies in Kenya as listed by the Kenya National Bureau of Statistics (KNBS, 2016). Appendix 3 highlights the list of these firms including those that have been delisted, liquidated or acquired since 2016. This list was amended by the researcher to account for the above contemporaries.

The unit of analysis for this study were the foreign multinational companies while the respondent categories were the employees for each multinational company which was sampled. The researcher sampled three respondents per organization because of the inherent differences in perception and trait positions in an organization. To accommodate the variety of opinions and acquire organization-wide representative information, the study considered an average of the responses.

3.5 Sampling Technique

The study relied on feedback from both senior and junior employees in each of these companies, given that senior executives set the tone of culture in organizations and the juniors are affected by the same (Fielder, 1958). To obtain data on the required leader-follower traits, the researcher had to obtain more than one response from an organization. To obtain the sample size, the study adopted Yamane's formula of sample size determination which is a parametric measure that accommodates a stipulated level of precision, confidence and hence margin of error. The formula is illustrated below with the assumption of 95% level of confidence and alpha of 0.05:

$n = N/ [1+N (e)^2]$

Where:

n is the sample size

N is the study population

e is the margin of error i.e. 0.05. Hence;

$n= 238 / [1+238 (0.05)^2]$

n= 149.22 rounded up to 150 multi-national companies. The study targeted 3 employees from each these companies giving a number of 150*3 = 450 respondents.

The current study adopted non-probability sampling approach at two different levels because regional origin is considered an element of cultural classification in terms of geographies that have relatively homogeneous interactions and human activities (Schein, 2010). At stage one, quota sampling was used in dividing the population into quotas (continents) to generate the distribution schedule in table 3.1 below:

Table 3.1: Sampling Distribution Table

Continent of origin	Number of companies (population)	Percentage of the total population	Sample distribution of companies	Respondents targeted in the companies
Africa	17	0.07%	11	33
Asia	56	23.5%	35	105

Continent of origin	Number of companies (population)	Percentage of the total population	Sample distribution of companies	Respondents targeted in the companies
Europe	122	51.3%	77	231
Oceania	1	0.004%	1	3
North America	42	17.6%	26	78
Total	**238**	**100%**	**150**	**450**

Source: Author (2020)

Within each quota, the researcher used judgemental sampling technique to select the multinational companies that participated in the study based on ease of accessibility. Thereafter, convenience sampling technique was used to select the actual respondents (employees) who participated in the study based on availability and willingness to take part in the study. In each MNC, at least 2 senior and 1 junior executive were targeted. Data was obtained from 11 different departments differing from one MNC to another. The departments included: Finance, Human Resource, Administration, Marketing, Engineering etc. The researcher preferred the non-probability sampling technique because not all employees in the multi-national companies were in a position to answer the questions related to corporate culture. In some cases, the legal team had to give permission to collect data from specific respondents. Convenience sampling was appropriate because of the unprecedented pandemic that resulted into difficulty in accessing specific respondents. Additionally, the study further intended to monitor if specific characteristics and elements of culture exist within the target population (Pham, 2020).

3.6 Data Collection Technique

The study relied on primary data collected from the multinational companies (MNCs). This study used a structured questionnaire as the main tool for data collection. The questionnaire was

distributed on a researcher-administration basis. Organizations were informed prior to the data collection exercise and the traditional drop and pick method was employed.
This method was however backed by questionnaire dissemination via email (other responses that had been traditionally dropped were obtained through scanned filled out copies). This was as a result of the Covid-19 pandemic that interrupted normal business operations.

The questionnaire was structured i.e. comprise closed ended questions to enable the researcher to gather requisite information that may be useful for the study or may affect the study findings (Hancock & Algozzine 2017). The structured data was measured using a five point likert scale. The tool was divided into three main sections, the first section sought the bio profile of the organization, the second part was structured around the four dimensions of the independent variable and the last section covered operational performance. Data was collected within the period February 2020 and May 2020.

3.7 Quality of Research

Reliability and validity are fundamental elements of assessing the quality of a research instrument used to enhance the accuracy of study findings. The researcher focused on these elements as described below:

3.7.1 Reliability

Mohajan (2017) defines reliability as the degree of consistency of the research instrument over time given a similar sample, hence a reliable instrument should accurately and consistently generate the same findings, given the same situation at different timings. The expected outcomes should therefore be stable and consistent. One of the most widely used tests of reliability is the Cronbach Alpha Test. According to Pham (2020) the evaluation criteria for the Cronbach Alpha test is as follows: The values of internal consistency range from zero to one. Gliem and Gliem (2003) suggest that an alpha value of 0.70 and above is acceptable in cases where the study lies in the Social Sciences category. According to Sabag and Krisher (2017), an alpha value of 0.50 or greater is acceptable for studies that assess behavioral characteristics such as attitude and preferences.

Cooper and Schindler (2006) suggest that a Cronbach Alpha coefficient that ranges from 0.70 to 0.90 should be considered reliable. This study therefore adopted the interpretation according to Gliem and Gliem (2003) and Cooper and Schindler (2010) that a coefficient of at least 0.70 was reliable. The reliability test relied on the results collected from the pilot study to establish ambiguity, lack of clarity, repetition and deficiency in feedback. DiMattio et al. (2007) recommend that a pilot study on 5 to 10 respondents drawn from a different population other than the target population (those that would actually take part in the study) suffices in the validation of survey instruments such as questionnaires. The Cronbach Alpha Test was calculated and analyzed using SPSS and the results were that all the coefficients were reliable as presented in table 3.2. therefore, no adjustments were made to the data collection tool.

Table 3.2: Summary of Cronbach Alpha Coefficients and their interpretation

Variable	Component	Cronbach's Alpha Coefficient	Number of items	Interpretation for the study
Section B Market Culture	• Individual performance • Leadership • Clarity of objectives • Tracking progress • Business relationships • Reward systems	0.784	9	Reliable
Adhocracy Culture	• Creativity • Leadership • Experimentation and risk • Reward system • Work environment	0.826	7	Reliable
Bureaucratic Culture	• Policy, rules and guidelines • Innovation • Leadership • Clarity • Work environment	0.743	6	Reliable
Consensual Culture	• Open communication • Employee development • Working relationship • Involvement and teamwork	0.781	9	Reliable

Variable	Component	Cronbach's Alpha Coefficient	Number of items	Interpretation for the study
Section C Quality performance	• Competition • Price • Customer referrals • Competence • Quality management systems • National and corporate standards	0.816	9	Reliable
Service Performance	• Availability of products • Customer preferences • Delivery cycle • Customer complaint resolution • Customer feedback handling • Leadership	0.771	9	Reliable
Flexibility performance	• Response time • Product variety • Product variety • Consumer preference changes • Adoption of new systems and technology	0.835	7	Reliable
Cost Performance	• Price • Variable cost • Affordability • Budgeting and resource allocation • Maintenance cost • Marketing cost	0.756	5	Reliable

Source: Pilot Data (2020)

3.7.2 Validity

This study further tested for both content and construct validity which have been widely recognized by literature as the two forms of validity. Validity is defined as the degree to which the study findings reflect the true picture of a phenomena (Heale & Twycross, 2015). A pilot test was conducted on the instrument to foresee any common biases, misinterpretation and other errors that might arise in the process of data collection. The pilot test was administered on a different sample of respondents working with any large corporates in Kenya. Content validity is the test of determining the adequacy of the research instrument in covering the variable contents while construct validity will determine whether the study can draw significant inferences from the test scores provided (Heale & Twycross, 2015). The supervisor was tasked to check for content validity while inferring from the definition of constructs. For purposes of verification, face to face validity was tested by conducting a pilot on 10 respondents from large sized businesses in Kenya given that multinational companies fall in the category of large corporates. For construct validity, the researcher conducted factor analysis to observe the individual measures of each construct. The researcher carried out KMO and Bartlett's test of sphericity. To extract the factors, Principal Component Analysis method was used (results are shown in Appendix V). All the variables in the study were found to be unidimensional and valid indicators of the constructs they were to measure.

3.8 Data Analysis

According to Kenny, Kashy and Cook (2006) data analysis refers to the processes of editing, coding, cleaning up, tabulating and processing data in summarized formats for purposes of drawing conclusions, meaning and interpretation from each data set. The cleaned-up data was analyzed through descriptive statistics by computing the mean and standard deviation, thereafter a correlation analysis and eventually a regression analysis was conducted. The measures of central tendency were used to measure the dimensions of culture. To complement this, frequency tables and percentages were employed in analyzing demographic characteristics and company bio data. Descriptive statistics were used to profile respondents with the aim of summarizing distributions and describing a set of data on factors of the study. According to Anderson and Whitcomb (2016) descriptive statistics is an effective tool of analysis in terms of generating simplified summaries of data of a specific study group.

Pearson's correlation coefficient is a quantitative measure, used to test the degree of relationship between variables usually continuous in nature. This model measures the degree of association between two variable; X and Y. The model is classified as the most appropriate measure of bivariate association. Pearson's correlation analysis test was run for all the objectives of the research study in order to establish the relationship between the independent and dependent variables. The comprehensive correlation analysis on the four objectives was followed by a multiple regression analysis based on the relationship model hypothesized as follows: $Y = \beta_0 + \beta_1 X + \varepsilon$.

Where:

β_0 and β_1 are parameters of the relationship model.

X is the independent variable.

Y is the dependent variable.

E is the error term i.e. variability in the dependent variable (Y) that is not conclusively explained by the independent variable (X).

The relationship between corporate culture and operational performance was analyzed using a multiple regression model after a simple regression was run on each culture type and operational performance i.e. bureaucratic culture, market culture, adhocracy culture and consensual culture. A simple linear regression was conducted to predict the value of operational performance based on each of the dimensions of culture as single variables. Additionally, a multiple regression analysis was done as an extension of the simple regression analysis with the aim of accommodating the four dimensions of corporate culture into one independent variable; corporate culture and determining its influence on operational performance. Therefore, multiple regression analysis is preferred in determining the relative contribution of each of the dependent variables for each of the objectives to the total variance in operational performance (Guiso et al., 2014). The two models of analysis were therefore informed by the main and specific objectives of the study. Other scholars that have adopted the same model of analysis include Hong et al. (2012); Graham et al. (2017) and Strese et al. (2016).

The regression equation was therefore as follows:

$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

$Y= \beta_0 + \beta_1 X_1$

$Y= \beta_0 + \beta_2 X_2$

$Y= \beta_0 + \beta_3 X_3$

$Y= \beta_0 + \beta_4 X_4$

Where:

β_0- constant

$\beta_1, \beta_2, \beta_3$ and β_4 – correlation coefficient used in determining the value of Y

Y-Operational performance

X_1- Market culture

X_2- Adhocracy culture

X_3- Bureaucratic culture

X_4- Consensual culture

e- error term

3.8.1 Diagnostic tests

The researcher carried out tests of regression diagnostics to ascertain whether the key assumptions of linear regression analysis have been met by the model. The four critical assumptions of a linear regression model include: normality, heteroscedasticity, multicollinearity and autocorrelation. Heteroscedasticity refers to a situation in which the variance between variables is not constant hence violating the assumptions made for the error term, autocorrelation on the other hand implies an instance in which all the model residuals are correlated. Normality assumes that for any fixed value of a variable X, another variable Y is normally distributed. (Jupiter, 2017). Lastly, the test of multicollinearity was used to determine the degree of correlation between the independent variables. Ideally, the independent variables should not be correlated and therefore the higher the degree of correlation the higher the chances that the outcomes of the model will be affected by this relationship, this might affect the estimates of the coefficient values (Olusegun et al., 2015). The results of the diagnostic tests are present in section 4.4 of the next chapter.

3.8.2 Methodology Testing

The following tests were conducted on the methodologies discussed above:

3.8.2.1 Correlation coefficient (R)

The evaluation criteria was as follows: a correlation coefficient ranges between the values +1 and -1. A value of -1 implies that there is a perfect negative correlation, a value of 0 implies no correlation and a value of +1 signifies perfect positive correlation. According to Schober, Boer & Schwarte (2018) a correlation value of below 0.20 is interpreted as very weak correlation, a range of 0.20 to 0.39 is weak, 0.40-0.59 is moderate, 0.60- 0.79 is a strong correlation and 0.80-1.00 is a very strong correlation. For data with significant outliers, Pearson's correlation was used to measure linear relationship.

3.8.2.2 Coefficient of determination (R^2)

The simplest and most widely used tool for assessing the quality of fit in a multiple linear regression is the R^2. This model examines the suitability of the study variables (independent) in predicting the outcome -the dependent variable (Renaud & Victoria-Feser, 2010; Lewis-Beck & Lewis-Beck, 2015). In this study, R^2 was used as a statistical measure of multiple regression. The interpretation criteria for R-squared was as follows:

$$R^2 = \text{Explained variation} / \text{Total variation}$$

R^2 ranges between 0 to 100%; where tending towards zero indicates the least level of variability from the mean explained by the model, while tending towards 100% shows that the model explains the variability from the mean to a greater extent. Therefore, the higher the R^2 score, the higher the model fit (Lewis-Beck & Lewis-Beck, 2015).

3.8.2.3 The F-Test

The F- statistic is a linear regression model test that was used to measure model significance by comparing the values of the model with zero predictor variables to determine capability of the model in outcome prediction. In this study, an F calculated value that is higher than the F critical value (F- tabulated) was considered to be significant i.e. the coefficients of the study added to the model affects the joint effect of the independent variables on the outcome (Olusegun, Dikko & Gulumbe, 2015).

3.8.2.4 Regression

Multiple regression analysis was used to predict the dependent variable. This was tested for by using the P-value to test for significance of all the variables in the regression equation. A P-value of ≤ 0.05 was considered to be significant.

3.9 Ethical consideration

According to Wester (2011) research studies have to adhere to stipulated ethical standards, some of which might not be legally enforceable. Ethical consideration is defined as the ability of the researcher to follow appropriate behavior in relation to societal norms and universal standards that protect parties involved in the research process (Cooper & Schindler, 2010; Sekaran & Bougie, 2013). This research study was carried out with the approval of Strathmore University Ethics Review Committee and data was collected once NACOSTI issued the researcher with a license authorizing execution of the study. Appropriate means of gaining access to the organizations was used and due process was followed. The research participants were fully informed about the purpose of the research before the study commenced. The respondents were permitted to ask questions and seek clarification regarding any aspect of the study that appeared ambiguous or binding.

Additionally, the respondent's participation in the study was voluntary and based on free will. The respondents were allowed to withdraw their responses and participation in the study at any given point in time when need arose. All data collected was used for the study and not for any other objectives. Additionally, the respondents' privacy and confidentiality standards were met and responses were not imposed. Lastly, the researcher did not alter any findings or make adjustments to suit a specific desired outcome.

3.10 Chapter summary

This chapter discussed the methodologies that were used in conducting this study. The study was a quantitative research targeting all the foreign multinational companies in Kenya. Data was collected from these organizations and analyzed using both correlation and regression models which are instrumental models of inferential statistics. The data collection instrument was tested for reliability and validity to improve the accuracy of the research findings. In conclusion, ethical considerations were adhered to throughout the study.

CHAPTER FOUR

PRESENTATION OF DATA AND ANALYSIS

4.1 Introduction

This chapter presents the results obtained from primary data collected using a structured questionnaire. The chapter is organized into the following sections; the response rate, demographic profile of respondents, results from the diagnostic tests, results from descriptive statistics and results from relationship analysis using the correlation matrix and a multiple regression model.

4.2 Response Rate

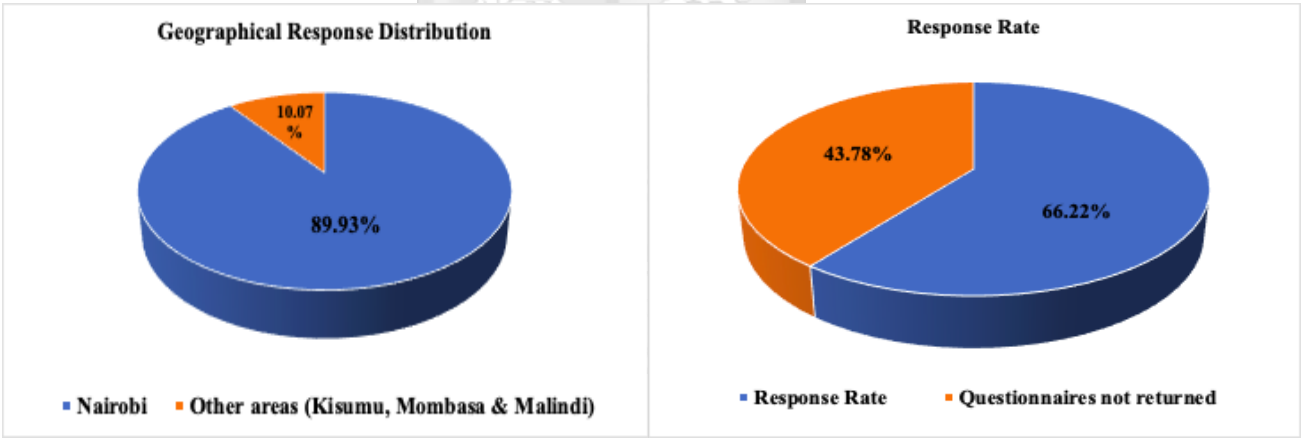
This study targeted 150 out of 238 multinational companies in Kenya. Data collection was centered in the Nairobi region with 10.07% responses from Kisumu, Malindi and Mombasa. The researcher targeted 3 employees per organization across the three levels of management: top, middle and operational level and a total of 450 questionnaires were distributed. Out of the targeted sample of 450, 298 (66.22%) responded to the questionnaires issued for this study. Out of the targeted 150 companies, the respondents represented 98 multinational companies. According to Baruch and Holtom (2008), a response rate of 60% from a non-random sample is considered representative in academic research, especially research focused on social and human traits. Though there is no consensus around a definite rate, scholars have suggested minimal levels for response rate to mitigate the lack of consistency in literature. Rea and Parker (1992); Dillman (2000) and Babbie (1990) suggest 50% as the minimal level, Fowler (1984) suggests 60% and De Vaus (1986) suggests 80%. This study's response rate was affirmed by the scholars suggesting a minimal acceptable response rate of 50%- 60%. Table 4.1 shows the frequency distribution of responses and Figure 4.1 shows the distribution of responses across regions.

Table 4. 1 Frequency Distribution of Responses

Description	Response status	Frequency	Cumulative Frequency
Overall Responses	Questionnaires returned	298	298
	Questionnaires not returned	152	450
	Total questionnaires sent out	**450**	
Nairobi Region	Questionnaires returned	268	268
	Questionnaires not return returned	137	405
	Total questionnaires sent out	**405**	
Other Regions (Kisumu, Mombasa & Malindi)	Questionnaires returned	30	30
	Questionnaires not returned	15	45
	Total questionnaires sent out	**45**	

Source: Survey Data (2020)

Figure 4.1: Distribution of Responses



4.3 Demographic Profile

Section A of the questionnaire sought to establish the demographic profile of the respondents. The questions were framed to collect data on gender, age, department of engagement, level of education, level of management, year of service is a multinational company and the continent that hosts the headquarter of the multi-national company that the respondent is working in. These demographic elements were assessed because of their potential control effects on the study.

Table 4.2: Demographic Profile

Characteristics		Frequency	%	Cumulative %
Gender	**Male**	148	49.7	49.7
	Female	150	50.3	**100.0**
	Total	**298**	**100**	
Age	**25 & below**	44	14.8	14.8
	26- 35 years	93	31.2	46.0
	36 - 40 years	79	26.5	72.5
	41 - 45 years	42	14.1	86.6
	46 - 50 years	32	10.7	97.3
	Above 55 years	8	2.7	**100.0**
	Total	**298**	**100**	
Department	**Administration**	51	17.1	17.2
	Finance	31	10.4	27.6
	HR	21	7.1	34.7
	Customer Care	59	19.8	54.5
	ICT	35	11.7	66.3
	Legal	18	6.1	72.4
	R & D	34	11.4	83.8
	Internal Audit	16	5.4	89.2
	Procurement	19	6.4	95.6
	Sales & Marketing	11	3.7	99.3
	Engineering	2	0.7	**100.0**
	Total	**297**	**100**	
	Missing System	1	0.3	
	Top	73	24.5	24.5

Management Level	**Middle**	128	43.0	67.4
	Operational	97	32.6	**100.0**
	Total	**298**	**100**	
Academic Qualification	**Certificate**	6	2.0	2.0
	Diploma	19	6.4	8.4
	Bachelor's	172	57.7	66.1
	Masters	100	33.6	99.7
	Others	1	0.3	**100.0**
	Total	**298**	**100**	
Headquarters	**Africa**	40	13.4	13.4
	Asia	67	22.5	35.9
	Oceania	3	1.0	36.9
	Europe	134	45.0	81.9
	North America	54	18.1	**100.0**
	Total	**298**	**100**	
Duration of service	**0-1 years**	37	12.4	12.4
	2-5 years	112	37.6	50.0
	6-9 years	104	34.9	84.9
	10 years & above	45	15.1	**100.0**
	Total	**298**	**100.0**	

Source: Survey data (2020)

The results show that the majority of the respondents were female (50.3%), while most of the respondents were aged between 26- 35 years (31.2%). Of these respondents, a majority (19.1%) work in the customer care department, 43% serving at the middle level of management, 57.7% are holders of a bachelor's degree and 37.6% had worked for the MNCs for a period ranging between 2-5 years. 45% of the companies respondents were drawn from had their headquarters in Europe. The findings seem to suggest that female employees aged below 35 years are more likely to notice the menial things in the organization and both positive and negative changes in those aspects affect

their work either positively or negatively. The 43% in middle management play a leadership role in promoting company culture and of the studied multinational companies, 45% headquartered in Europe are consciously managing their corporate culture.

4.4 Results from Diagnostic Tests

This section contains preliminary tests carried out on the data before conducting regression analysis in order to establish if the model assumptions apply to the data set obtained.

4.4.1 Test of Multicollinearity

The test of multicollinearity was used to establish the degree of correlation between the four independent variables i.e. market culture, adhocracy culture, bureaucratic culture and consensual culture. According to Brooks (2012) a high degree of correlation between these variables creates a problem of multicollinearity. The problem of multicollinearity is a situation in which independent variables are correlated with one another and when this association is high, this affects the prediction abilities of each predictor variable (Mugenda & Mugenda, 2003). Consistent with other studies on corporate culture Wood and Eagly (2012); Sims (2000); Sims and Brinkman (2002); Marcato, Milcheva and Zheng (2018) , the Variance Inflation Factor, (VIF) was used to test the statistical significance of any cases of multicollinearity.

The Table 4.3 represents the outcome of the test of multicollinearity carried out using VIF. According to Bauer et al. (2017) a VIF value of < 10 implies no significant multicollinearity between variables.

Table 4.3: Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	**VI**
Market Culture	0.746	1.340
Adhocracy Culture	0.614	1.629
Bureaucratic Culture	0.812	1.232
Consensual Culture	0.638	1.568

Source: Survey Data (2020)

In this study, tolerance was within the range of 0.638 and 0.812 and hence the VIF ranged between 1 and 2 which is below the threshold of 10 hence the researcher concluded that there was no multicollinearity among the variables.

4.4.2 Normality

Normality is one of the key assumptions of linear regression that advances that there is normal distribution between terms i.e. independent and dependent variables (Jupiter, 2017). One of the ways of testing for normality is by plotting a histogram followed by measures of skewness and kurtosis. Gujarati and Porter (2009); Ghasemi and Zahediasl (2012) advance that a symmetric distribution should be equal to zero.

Figure 4.2 shows the distribution of data and the elements of skewness as plotted.

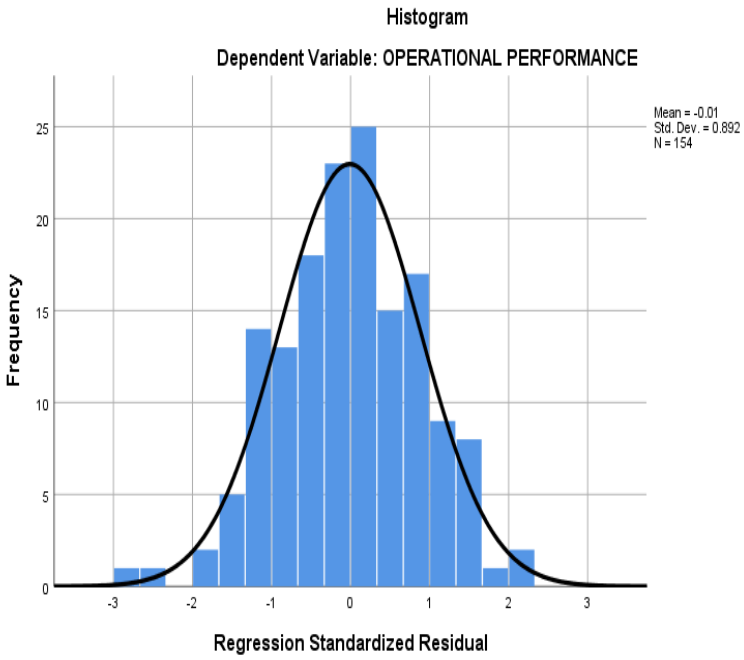


Figure 4.2: Distribution of Data and the Elements of Skewness

The distribution of data was normal because the curve was symmetric as shown in the histogram and most points were clustered along the line of best sit as shown in figure 4.3

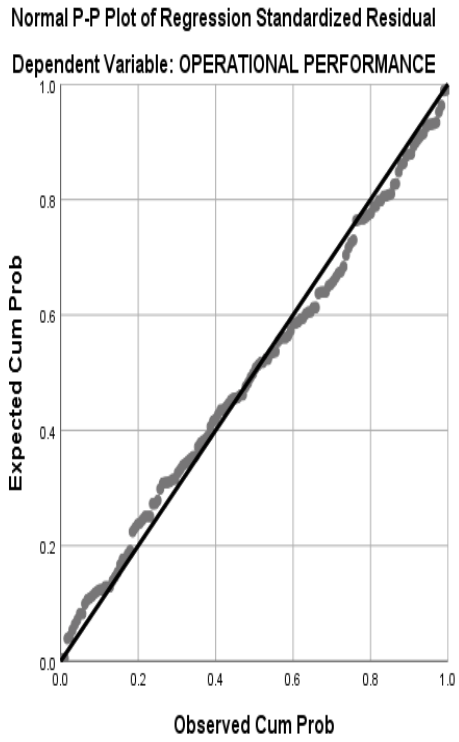


Figure 4.3: Plot of Regression Standardized Residual

4.4.3 Heteroscedasticity

This assumption is aimed at ensuring there is homogeneity in the error term thus setting precedence for conducting regression analysis. The problem of heteroscedasticity arises when there is no constant variation in the error term i.e. var(ut) = $\sigma 2 < \infty$ (Brooks, 2012; Woolridge, 2015). Consistent with other studies, the test of heteroscedasticity was carried out computing the Lagrange Multiplier (Yaacob & Che-Ahmad, 2012; Woolridge, 2015). This was done using the value of R^2 and multiplying it with the number of observations that is $TR^2 \sim \chi 2(n)$; where n represents the number of regressors in the auxiliary regression. The Lagrange Multiplier (LM) values were thereafter compared against the chi square tabulated values that is; there is a constant variance if LM is greater.

Table 4.4 represents the outcomes generated from computing the Lagrange Multiplier (LM).

Table 4.4: Outcomes from Computing the Lagrange Multiplier (LM)

Model	R2	No. of observations	LM	Tabulated value (X2) at 5%
1	0.07	298	22.30647004	(1, 0.05) = 3.84
2	0.19	298	58.01968477	(1, 0.05) = 3.84
3	0.10	298	29.13843559	(1, 0.05) = 3.84
4	0.09	298	28.13704237	(1, 0.05) = 3.84
Overall	**0.23**	**298**	**69.03182556**	**(4, 0.05) = 9.49**

Source: Survey Data (2020)

In this study, the results in Table 4.4 show that LM was greater than the tabulated values in all the 4 simple models hence there is a constant variance thus confirming the presence of homogeneity.

4.4.4 Autocorrelation

According to Brooks (2012) the problem of autocorrelation persists when the disturbance terms that is; μ_i an μ_j are not equal to zero hence affecting the error term. This results in incorrect standard errors as advanced by Woolridge (2015). This study used the Durbin Watson Statistic to test for autocorrelation as applied by prior studies (Sultana et al., 2015; Baatwah et al., 2015).

Table 4.5 shows the results obtained from the test of autocorrelation. According to Sargan and Bhargava (1983) a Durbin Watson Statistic of 2 implies autocorrelation.

Table 4.5: Results of the Autocorrelation Test

Model	Durbin-Watson
1	1.64
2	1.74
3	1.60
4	1.61
Overall	**1.70**
a. Predictors: (Constant), Consensual Culture, Bureaucratic Culture , Adhocracy Culture , Market Culture	
b. Dependent Variable: Operational Performance	

In this study the results from the test of statistical independence were obtained from the values of the Durbin Watson statistic. The results range between 1.60 and 1.74 which is within the threshold of less than two thus affirming that the observations are statistically independent.

The data, thus met the minimum threshold set for each of the assumptions: linearity, heteroscedasticity, normality and autocorrelation and therefore, enabled the researcher to proceed to further analysis.

4.5 Descriptive Statistics

Respondents were requested to indicate the extent to which they agreed or disagreed with statements drawn from the variables on a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree. Section B of the questionnaire focussed on collecting data on various culture types, while section C focussed on elements of operational performance as per the research objectives of the study.

4.5.1 Market Culture

The study sought to establish the influence of market culture on operational performance. This section presents the results from the descriptive statistics analysis on market culture. The means and standard deviation for the responses to each question was computed and Table 4.6 shows the outcomes from the analysis on market culture.

Table 4.6: Analysis on Market Culture

Market Culture			
	N	**Mean**	**Std. Deviation**
Our company bases individual performance on achievement of tasks and goal attainment.	298	4.26	0.671
Our leaders have high expectations and incline more towards good reputation.	298	4.17	0.857
Our leaders set clear and specific goals for each employee.	297	4.33	0.626
Our employees present periodic progress reports to management.	298	4.26	0.664
Our company encourages competition across different departments/units.	298	4.27	0.744
Our company has forged partnerships, alliances and other business relationships in the past 3 years.	298	4.27	0.582
Failure to accomplish tasks on time leads to retribution.	298	4.14	0.719
Our employees are continuously aware of renewed expectations set by the organization.	298	4.30	0.664
Our employees are recognized for achievement of outcomes (employee of the month, roll of honor, material gifts).	298	4.21	0.809
Valid N	**297**	**4.25**	

Under market culture, the highest mean score was recorded as 4.33 and the lowest as 4.14with a standard deviation of 0.704. Overall, the mean score was 4.25. This implied that most respondents

agreed with the statements associated with market culture and therefore the sampled MNCs corporate culture is characterized by the statements under market culture.

4.5.2 Adhocracy Culture

The study sought to establish the influence of adhocracy culture on operational performance. This section presents the results from the descriptive statistics analysis adhocracy culture. The means and standard deviation for the responses to each question was computed and Table 4.7 illustrates the statistical outcomes.

Table 4.7: Analysis on Adhocracy Culture

Adhocracy Culture			
	N	**Mean**	**Std. Deviation**
Our company promotes creativity among employees.	298	4.35	0.665
Our leadership is supportive of new ideas.	298	4.37	0.656
There has been improved level of innovations in the company over the last three years.	298	4.21	0.659
Our company encourages Experimentation, risk taking and dynamism.	298	4.01	0.855
Our leaders prominently recognize failure as the first step to success.	298	3.87	0.932
Our company's reward system accommodates new projects initiated by employees.	298	4.23	0.730
Our work environment is designed to prompt development of new ideas (color, graphics, music etc.)	298	4.14	0.827
Valid N	**298**	**4.17**	

In this category, the highest mean score was recorded as 4.37 and the lowest as 3.87 with a standard deviation of 0.761. The overall mean score was 4.17. This showed that most respondents agreed with the statements associated with adhocracy culture and therefore the sampled MNCs corporate culture is characterized by the statements under adhocracy culture.

4.5.3 Bureaucratic Culture

The study sought to establish the influence of bureaucratic culture on operational performance. This section presents the results from the descriptive statistics analysis on bureaucratic culture. The means and standard deviation for the responses to each section was computed and Table 4.8 supports this data as follows:

Table 4.8: Analysis on Bureaucratic culture

Bureaucratic Culture			
	N	**Mean**	**Std. Deviation**
We understand well the rules, policies and guidelines of the company.	298	4.41	0.569
We share common goals with the company making operations seamless.	298	4.32	0.626
Our work environment is very procedural, structured and formalized.	298	4.28	0.690
Our company ensures clear instructions are availed to staff concerning their tasks and duties.	298	4.34	0.610
The success of the company is based on how smoothly various functional areas are run.	298	4.29	0.607
Our company values consistency and stability in its operations as opposed to uncertainty and ambiguity.	298	4.37	0.607
Valid N	**298**	**4.34**	

On bureaucratic culture, the highest mean score was recorded as 4.41 and the lowest as 4.28 with a standard deviation of 0.618. The overall mean score was 4.34. This generally indicates that most respondents agreed with the statements linked to bureaucratic culture and therefore the sampled MNCs corporate culture is characterized by the statements under bureaucratic culture.

4.5.4 Consensual Culture

The study sought to establish the influence of consensual culture on operational performance. This section presents the results from the descriptive statistics analysis on consensual culture. The means and standard deviation for the responses to each question was computed and table 4.9 illustrates the statistical outcomes.

Table 4.9: Analysis on Consensual Culture

Consensual Culture			
	N	**Mean**	**Std. Deviation**
Our company is open and always keeps employees informed of any changes within.	298	4.29	0.674
Employee development is prioritized across the company.	298	4.17	0.650
I intend to invest in and maintain the relationship that I have with the organization.	298	4.33	0.585
We interact regularly with fellow employees.	298	4.21	0.715
The company's mission statement is geared towards social welfare.	298	4.15	0.655
We provide our opinion and views regarding the operations of the company.	298	4.23	0.642
Our company invites us to social interaction events for employees at least twice a year (seminars, cocktails, parties).	298	4.12	0.733
We take invites to interactive sessions seriously and show up.	298	4.24	0.706
I intend to remain in this organization as an employee because it offers me more than just financial benefits.	297	4.25	0.707
Valid N	**297**	**4.22**	

Under consensual culture, the highest mean score was recorded as 4.33 and the lowest as 4.12 with a standard deviation of 0.674. The overall mean score was 4.17. This showed that most respondents agreed with the statements associated with consensual culture and therefore the sampled MNCs corporate culture is characterized by the statements under consensual culture.

Table 4.10 shows the statistical summary results of the descriptive analysis.

Table 4.10: Statistical Summary

Summary of Descriptive Statistics			
Key Variables	**N**	**Mean**	**Std. Deviation**
Market Culture	297	4.25	0.704
Adhocracy Culture	298	4.17	0.761
Bureaucratic Culture	298	4.34	0.618
Consensual Culture	297	4.22	0.674

Source: Survey Data (2020)

4.5 Correlation Matrix

This study used Pearson's correlation analysis to determine the relationship between the study variables. Further, the coefficient of determination was used to determine the association between the four culture types (market, adhocracy, bureaucratic and consensual) and operational performance of multinational companies.

Table 4.11 presents the results obtained from the correlation analysis model.

Table 4.11: Results of the Correlation Analysis Model

PEARSON'S CORRELATION		**MC**	**AC**	**BC**	**CC**	**OP**
Market Culture (MC)	**Pearson Correlation**	1	.443**	.350**	.361**	.274**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	298	298	298	298	298
Adhocracy Culture (AC)	**Pearson Correlation**	.443**	1	.307**	.563**	.441**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	298	298	298	298	298
Bureaucratic Culture (BC)	**Pearson Correlation**	.350**	.307**	1	.360**	.313**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	298	298	298	298	298
Consensual Culture (CC)	**Pearson Correlation**	.361**	.563**	.360**	1	.307**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000

	N	298	298	298	298	298
Operational Performance (OP)	**Pearson Correlation**	.274**	.441**	.313**	.307**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	298	298	298	298	298

The results illustrate that the correlation coefficient between all the independent variables and operational performance are significant but to varied degrees. Market culture exhibited a weak positive correlation ($r= 0.274$, $p< 0.05$) thus implying that there exists a weak positive correlation between market culture and operational performance. The results for consensual culture and operational performance ($r= 0.307$, $p< 0.05$) show that there is also a weak positive correlation between the variables. This was followed by bureaucratic culture and operational performance ($r=0.313$, $p<0.05$) and adhocracy culture and operational performance ($r= 0.441$, $p<0.05$). These results can be interpreted to mean that most aspects of culture play a weak role in influencing the operational performance of multinational companies.

4.6 Results of the Regression

In this study, the four culture types; market, adhocracy, bureaucratic and consensual culture were the independent variables and operational performance was the dependent variable in the regression model. From the results of the simple regression shown in each of the tables below, the researcher developed regression equations for each objective and a model equation for the multiple regression model. The multiple regression analysis was used to analyze the relationship between a single dependent variable; operational performance and several independent (predictor) variables at one time.

4.6.1 Market Culture and Operational Performance

A regression analysis was performed with market culture as an independent variable and operational performance as a dependent variable**.** The output in table 4.12 shows the results.

Table 4.12: Regression Analysis of Market Culture and Operational Performance

Model Summaryb						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**	
Market Culture	.274a	0.075	0.072	0.29111	1.641	
a. Predictors: (Constant), Market Culture						
b. Dependent Variable: Operational Performance						

ANOVAa						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Market Culture	**Regression**	2.030	1	2.030	23.949	.000b
	Residual	25.085	296	0.085		
	Total	27.114	297			
a. Dependent Variable: Operational Performance						
b. Predictors: (Constant), Market Culture						

Coefficientsa						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
	(Constant)	3.310	0.192		17.202	0.000
	Market Culture	0.221	0.045	0.274	4.894	0.000
a. Dependent Variable: Operational Performance						

Source: Survey Data (2020)

The coefficients were used to come up with the following equation:

$y= 3.310 + 0.221 X_1$

where:

X_1 is market culture

3.310 is the value of operational performance when the value of market culture is zero.

0.221 is the coefficient of market culture, and that implies that for every unit increase in the value of market culture, the value of operational performance is expected to increase by 0.221 ceteris paribus.

Based on the output in Table 4.12 in the section for model summary, R (0.274) shows that market culture has a weak positive correlation with operational performance. Consequently, the coefficient of determination (R- squared) illustrates the extent to which the independent variable market culture explained the variance in the value of operational performance (7.5%).

The second section of table 4.12 shows the output for analysis of variance. The researcher developed two hypotheses: null hypothesis- the results of the regression model are significant while the alternative hypothesis is, the results of the regression models are not significant. In this study, a significance level of < 0.05 was interpreted as significant, otherwise not significant. The p value was 0.000 which is less than 0.05 hence the model is significant.

The third section of table 4.12 illustrates the significance of the independent variable and its intercept as described in the regression model. At 95% level of confidence, market culture is significant.

4.6.2 Adhocracy Culture and Operational Performance

A regression analysis was performed with adhocracy culture as an independent variable and operational performance as a dependent variable**.** The output in table 4.13 shows the results.

Table 4.6: Regression Analysis of Adhocracy Culture and Operational Performance

Model Summaryb						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**	
	.441a	0.195	0.192	0.27160	1.737	
a. Predictors: (Constant), Adhocracy Culture						
b. Dependent Variable: Operational Performance						

ANOVAa						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
	Regression	5.279	1	5.279	71.563	.000b
	Residual	21.835	296	0.074		
	Total	27.114	297			
a. Dependent Variable: Operational Performance						
b. Predictors: (Constant), Adhocracy Culture						

Coefficientsa						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
	(Constant)	3.198	0.125		25.569	0.000
	Adhocracy Culture	0.252	0.030	0.441	8.460	0.000
a. Dependent Variable: Operational Performance						

Source: Survey Data (2020)

The coefficients were used to come up with the following equation:

$y= 3.198 + 0.252 X_2$

where:

X_2 is adhocracy culture

3.198 is the value of operational performance when the value of adhocracy culture is zero.

0.252 is the coefficient of adhocracy culture, and that implies that for every unit increase in the value of adhocracy culture, the value of operational performance is expected to increase by 0.221 ceteris paribus.

Based on the output in table 4.13 in the section for model summary, R (0.441) shows that adhocracy culture has a moderate positive correlation with operational performance. Consequently, the coefficient of determination (R- squared) illustrates the extent to which the independent variable adhocracy culture explained the variance in the value of operational performance (19.5%).

The second section of table 4.13 shows the output for analysis of variance. The researcher developed two hypotheses: null hypothesis- the results of the regression model are significant while the alternative hypothesis is, the results of the regression models are not significant. The p value was 0.000 which is less than 0.05 hence the model is significant.

The third section of table 4.13 illustrates the significance of the independent variable and its intercept as described in the regression model. At 95% level of confidence, adhocracy culture is significant.

4.6.3 Bureaucratic Culture and Operational Performance

A regression analysis was performed with bureaucratic culture as an independent variable and operational performance as a dependent variable**.** The output in table 4.14 shows the results.

Table 4.7: Regression Analysis of Bureaucratic Culture and Operational Performance

Model Summaryb						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**	
	.313a	0.098	0.095	0.28748	1.605	
a. Predictors: (Constant), Bureaucratic Culture						
b. Dependent Variable: Operational Performance						

ANOVAa						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
	Regression	2.651	1	2.651	32.080	.000b
	Residual	24.463	296	0.083		
	Total	27.114	297			
a. Dependent Variable: Operational Performance						
b. Predictors: (Constant), Bureaucratic Culture						

Coefficientsa						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
	(Constant)	3.182	0.189		16.829	0.000
	Bureaucratic Culture	0.246	0.043	0.313	5.664	0.000
a. Dependent Variable: Operational Performance						

Source: Survey Data (2020)

The coefficients were used to come up with the following equation:

$y = 3.182 + 0.246 X_3$

where:

X_3 is bureaucratic culture

3.182 is the value of operational performance when the value of bureaucratic culture is zero.

0.246 is the coefficient of bureaucratic culture, and that implies that for every unit increase in the value of bureaucratic culture, the value of operational performance is expected to increase by 0.246 ceteris paribus.

As shown in table 4.14 in the section for model summary, R (0.313) illustrates that bureaucratic culture has a weak positive correlation with operational performance. Consequently, the coefficient of determination (R- squared) illustrates the extent to which the independent variable bureaucratic culture explained the variance in the value of operational performance (9.8%).

Section two of table 4.14 shows the output ANOVA test. The researcher developed two hypotheses: null hypothesis- the results of the regression model are significant while the alternative hypothesis is, the results of the regression models are not significant. The p value was 0.000 which is less than 0.05 hence the model is significant.

Section three of table 4.14 illustrates the significance of the independent variable and its intercept as described in the regression model. At 95% level of confidence, bureaucratic culture is significant.

4.6.4 Consensual Culture and Operational Performance

A regression analysis was performed with consensual culture as an independent variable and operational performance as a dependent variable**.** The output in table 4.15 shows the results.

Table 4.8: Regression Analysis of Consensual Culture and Operational Performance

Model Summaryb						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**	
	.307a	0.094	0.091	0.28802	1.607	
a. Predictors: (Constant), Consensual Culture						
b. Dependent Variable: Operational Performance						

ANOVAa						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
	Regression	2.560	1	2.560	30.862	.000b
	Residual	24.554	296	0.083		
	Total	27.114	297			
a. Dependent Variable: Operational Performance						
b. Predictors: (Constant), Consensual Culture						

Coefficientsa						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
	(Constant)	3.236	0.183		17.678	0.000
	Consensual Culture	0.240	0.043	0.307	5.555	0.000
a. Dependent Variable: Operational Performance						

Source: Survey Data (2020)

The coefficients were used to come up with the following equation:

$y= 3.236 + 0.240 X_4$

where:

X_4 is consensual culture

3.236 is the value of operational performance when the value of consensual culture is zero.

0.240 is the coefficient of consensual culture, and that implies that for every unit increase in the value of consensual culture, the value of operational performance is expected to increase by 0.240 ceteris paribus.

Based on the output in table 4.15 in the section for model summary, R (0.307) represents a weak positive correlation between consensual culture and operational performance. Consequently, the coefficient of determination (R- squared) illustrates the extent to which the independent variable consensual culture explained the variance in the value of operational performance (9.4%).

The second section of table 4.15 shows the output for analysis of variance. The researcher developed two hypotheses: null hypothesis- the results of the regression model are significant while the alternative hypothesis is, the results of the regression models are not significant. The p value was 0.000 which is less than 0.05 hence the model is significant.

The third section of table 4.15 illustrates the significance of the independent variable and its intercept as described in the regression model. At 95% level of confidence, consensual culture is significant.

4.6. 5 Multiple Regression Model

A multiple regression analysis was performed with market, adhocracy, bureaucratic and consensual culture as independent variables and operational performance as a dependent variable**.** The output in table 4.16 shows the results.

Table 4.16: Multiple Regression Model

Model Summaryb								
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**			
	.481a	0.232	0.221	0.26665	1.704			
a. Predictors: (Constant), Consensual Culture , Bureaucratic Culture , Market Culture, Adhocracy Culture								
b. Dependent Variable: Operational Performance								

ANOVAa								
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig. P-value**		
	Regression	6.281	4	1.570	22.084	.000b		
	Residual	20.833	293	0.071				
	Total	27.114	297					
a. Dependent Variable: Operational Performance								
b. Predictors: (Constant), Consensual Culture, Bureaucratic Culture , Market Culture, Adhocracy Culture								

Coefficientsa								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**Collinearity Statistics**	
		B	**Std. Error**	**Beta**	**T**	**Sig. Pvalue**	**Tolerance**	**VIF**
	(Constant)	2.554	0.230		11.110	0.000		
	Market Culture	0.037	0.048	0.045	0.766	0.445	0.746	1.340
	Adhocracy Culture	0.200	0.037	0.350	5.349	0.000	0.614	1.629
	Bureaucratic Culture	0.141	0.045	0.179	3.146	0.002	0.812	1.232
	Consensual Culture	0.023	0.050	0.029	0.460	0.646	0.638	1.568

Source: Survey Data (2020)

The coefficients were used to come up with the following equation:

$Y = 2.554 + 0.037 X_1 + 0.200 X_2 + 0.141 X_3 + 0.023 X_4$

where:

X_1 is market culture

X_2 is adhocracy culture

X_3 is bureaucratic culture

X_4 is consensual culture

Y is operational performance

2.554 is the value of operational performance when the value of market culture is zero.

0.037 is the coefficient of market culture, and that implies that for every unit increase in the value of market culture, the value of operational performance is expected to increase by 0.037 ceteris paribus.

0.200 is the coefficient of adhocracy culture, and that implies that for every unit increase in the value of adhocracy culture, the value of operational performance is expected to increase by 0.200 ceteris paribus.

0.141 is the coefficient of bureaucratic culture, and that implies that for every unit increase in the value of bureaucratic culture, the value of operational performance is expected to increase by 0.141 ceteris paribus.

0.023 is the coefficient of consensual culture, and that implies that for every unit increase in the value of consensual culture, the value of operational performance is expected to increase by 0.023 ceteris paribus.

Based on the output in table 4.16 in the section for model summary, R (0.481) represents a moderate positive correlation between corporate culture and operational performance. Consequently, the coefficient of multiple determination (R- squared) illustrates the extent to which the independent variables (market, adhocracy, bureaucratic and consensual culture) explained operational performance i.e. amount of data explained by the model (23.2%). This is the degree of variation explained by the model.

Section two of table 4.16 illustrates the output for analysis of variance. The researcher developed two hypotheses: null hypothesis- the results of the regression model are significant while the alternative hypothesis is, the results of the regression models are not significant. In this study, a significance level of < 0.05 was interpreted as significant, otherwise not significant. The p value was 0.000 which is less than 0.05 hence the model is significant.

The last section of table 4.16 summarises the significance of each of the independent variables and their intercepts as described in the multiple regression model. At 95% level of confidence (5% margin of error), only adhocracy culture and bureaucratic culture were significant.

4.8 Chapter Summary

The chapter presented results obtained from the data collected including regression, correlation, descriptive statistics and diagnostic tests computed. The means and standard deviation results showed that bureaucratic culture registered the highest mean with the least standard deviation. The first objective was to determine the influence of market culture on operational performance of multinational companies in Kenya. Results of the analysis showed that market culture was a significant variable with a weak positive correlation in explaining the changes in operational performance in the simple regression model but synergistically insignificant in the multiple regression model. The second objective was to determine the influence of adhocracy culture on operational performance of multinational companies in Kenya. Results of the analysis showed that adhocracy culture was a significant variable in explaining the changes in operational performance in both the simple and multiple regression model.

The third objective was to determine the influence of bureaucratic culture on operational performance of multinational companies in Kenya. Results of the analysis showed that bureaucratic culture was a significant variable in explaining the changes in operational performance both in the simple and multiple regression model. The fourth objective was to determine the influence of consensual culture on operational performance of multinational companies in Kenya. Results of the analysis showed that consensual culture was a significant variable with a weak positive correlation in explaining the changes in operational performance in the simple regression model but synergistically insignificant in the multiple regression model.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents research findings, conclusions drawn by the researcher and proposed recommendations. The discussions on each section were based on the four research objectives; which were analyzing the influence of market, adhocracy, bureaucratic and consensual culture on the operational performance of multinational companies in Kenya.

5.2 Demographic Profile

According to Wood and Eagly (2012), gender is an important aspect of cultural adoption and practice not only in companies but also in societies. Gender expresses disparities in personalities hence contributing to actions and generally behavior of individuals. Therefore, one gender is likely to notice and value certain things that the other might consider menial and negligible. Age has also been the most widely adopted determinant of transitions between generations therefore standing a high chance of influencing how people perceive, feel and think about processes and interactions in the organization (Eagly, 2012). This element is reinforced by the aspect of service duration which sought to establish the degree and depth of interaction with people and norms in specific companies (Rose, 2013). According to Chang et al. (2006) the longer a person is ingrained in specific practices, the more they understand, adopt and are likely to pass them on easily.

The department of engagement and origin of the headquarter was used as a means of clustering responses to further analyse any significant disparities in the responses and to establish existent common characteristics between the units (Schriber & Gutek, 1987). Macnab, Worthley and Jenner (2010) advance that certain regions exhibit certain characteristics that are specific to them and not to others. Consequently, the functions of a department can determine procedure and norms in an organization for example, a finance and legal department is likely to operate in a more structured manner than a PR and communications department.

Lastly, level of management which was supported by level of education sought to establish the relationship between what leaders perceive vis a vis what other members of the organization perceive. According to Liden, Wayne and Liao (2014), leaders set the tone of culture in an organization and therefore leadership is a very important aspect of culture.

5.3 Discussion of Findings

The purpose of this study was to establish the influence of corporate culture on the operational performance of multinational companies in Kenya. Primary data was collected using a structured questionnaire and a multiple regression analysis run for the data set. The following were the findings:

5.3.1 Influence of Market Culture on Operational Performance

The study sought to determine the influence of market culture on operational performance of multinational companies in Kenya. In general, multinational companies in Kenya have depicted having elements of market culture in their operations and results from the correlation model shows that market culture has a weak positive correlation with operational performance however the multiple regression model confirms that the influence is not significant. According to Newman, Prajogo and Atherton (2016), the adoption market culture helps organizations to adopt strategies that build on market orientation in terms of customer and competitor orientation. Some of these strategies include continuous modules of both process and product innovation, thus a means of achieving efficiency and flexibility.

Developing strategies and appropriate organizational tasks is the most effective way of converting personal goals and transforming individual efficiency levels into desired levels of firm operational performance (Slater & Hult, 2005). The findings in this study are supported by the argument that market culture is susceptible to unforeseen scenarios in the business environment (San-Park & Kim, 2009). Additionally, organizations exhibit different culture traits/ dimensions but these traits do not contribute to significant differences in innovation and performance (Poku, Owuku-Ansah & Zakari, 2013). This study therefore found that market culture does not significantly influence operational performance as a factor on its own. This is supported in the findings of the studies done by Odhiambo (2013), Odhiambo (2014) and Gracia-Morales et al. (2008) which found that

there exists a non-significant linear relationship between corporate culture and operating expense. Guiso et al. (2014) contend that in as much as existing correlations between culture and performance do not prove causation, the importance corporates have attached to culture could be justified.

5.3.2 Influence of Adhocracy Culture on Operational Performance

The study sought to determine the influence of adhocracy culture on operational performance of multinational companies in Kenya. In general, the culture of multinational companies in Kenya is characterized by elements of adhocracy culture in their operations and results from the correlation model shows that adhocracy culture has a moderate positive correlation with operational performance however the multiple regression model confirms that the influence adhocracy culture has on operational performance is significant.

According to Noe, Holleneck, Gerhart & Wright, (2017) adhocracy culture promotes organizational learning hence improving the acquisition of knowledge, skills, competencies and other capabilities that promote innovativeness in the organization. High degree of freedom and personal initiative result in proactiveness, resilience, determination and a sense of responsibility in an organization (Smith & Smith, 2007). Multinational companies operate in a highly competitive and dynamic global environment that calls innovation and creation of better products, processes and procedures as a means of a consumer based approach to achieving competitive advantage (Wei, Samiee & Lee, 2014).

5.3.3 Influence of Bureaucratic Culture on Operational Performance

The study sought to determine the influence of bureaucratic culture on operational performance of multinational companies in Kenya. Generally, multinational companies in Kenya confirmed adopting elements of bureaucratic culture in their operations and results from the correlation model shows that bureaucratic culture has a weak positive correlation with operational performance and the multiple regression model confirms that the influence bureaucratic culture has on operational performance is significant.

Bureaucratic culture serves to support constitutional order, thereby assisting employees in mastering their tasks more efficiently (Heinrich, 2003; Powell & DiMaggio 2012). According to Tekauchi et al. (2003), organizations that have well spelt out tasks have more influence on their employees than those organizations with unstructured ad hoc tasks.

Bureaucratic culture encourages division of labour and high specialization of tasks therefore building expertise and proficiency, as a result the productivity of individuals is increased hence saving cost. Consequently, skills are sharpened and product quality can be improved in the case of manufacturing and production facilities. (Duvanova, 2012). Leaders are also able to exercise control over subordinates using laid down rules and regulations hence consistency in duty performance is easier to attain in an organization that has adopted bureaucratic culture (Beazer, 2012).

5.3.4 Influence of Consensual Culture on Operational Performance

The study sought to determine the influence of consensual culture on operational performance of multinational companies in Kenya. In general, multinational companies in Kenya have depicted having elements of consensual culture in their operations and results from the correlation model shows that consensual culture has a weak positive correlation with operational performance however the multiple regression model confirms that the influence is not significant.

According to Barney (2001) elements of consensual culture are considered as one of the most effective approaches to motivating employees and maximizing the value of people in a firm. Consensual culture is characterized by high levels of people involvement, participation, and teamwork that promote employee development and commitment.

The findings in this study are supported by the argument that organizations exhibit different culture traits or dimensions but these traits do not contribute to significant differences in innovation and performance (Poku, Owuku-Ansah & Zakari, 2013). This study therefore found that consensual culture does not significantly influence operational performance as a factor on its own. This is supported in the findings of the studies done by Odhiambo (2013), Odhiambo (2014) and Gracia-

Morales et al. (2008) which found that there exists a non-significant linear relationship between corporate culture and operating expense.

5.3.5 Influence of Corporate Culture on Operational Performance

The main objective of the study was to determine the influence of corporate culture on operational performance of multi-national companies in Kenya. Generally, the findings indicate that corporate culture has a significant positive influence on operational performance. Scholars have proposed corporate culture as a heuristically powerful perspective that contextualizes pursuit for organizational efficiency and effectiveness (Wei, Samiee & Lee, 2014). However, there is lack of cogency and coherence on the appropriate analytical framework and theoretical perspectives or constructs. Therefore, management of corporate culture has become dominant but challenging due to multiple definitions and divergent analyses criteria on organizational culture.

Hogan and Coot (2014) advanced that cultures that value teamwork, cohesion, employee involvement tend to realize better performance than highly structured organizations that ignore these values. On the other hand, Keskin et al. (2005) found that organizational cultures that favor competitiveness and entrepreneurial tendencies had a pattern of positive effects on firm performance. Penultimately, Pinho et al. (2013) suggest goal attainment as an important value that represents a form of control in employees' actions vis a vis the organization's goals; one of these goals being operational performance.

This study however found that in some instances, focusing on some of the stated values centrally could influence operational performance insignificantly. Moreover, the findings also indicate that the most important corporate culture dimension that explains the variance in operational performance is adhocracy culture. The study therefore proposes a weighted approach to managing dynamism, structures, stability, experimentation, market demands, flexibility, cost, goal and creativity in an organization for it to realize optimal operational performance.

5.4 Conclusion

The findings of this study indicate that market and consensual culture do not independently have a significant influence on the operational performance of multinational companies in Kenya. On the other hand, bureaucratic and adhocracy culture have a significant influence on the operational performance of these companies. The combined influence of corporate culture on operational performance is reported as significant with a model significance value of 0.000. The findings of this study are consistent with those of Lund (2003) who found that each cultural dimension affected the level of job satisfaction differently and Berson, Oreg and Dvir (2008) who found that different cultural dimensions (bureaucratic, supportive and innovation-oriented cultures) constituted different associations with firm outcomes including sales growth, firm efficiency and job satisfaction.

However, the findings of this study differ with the findings of other scholars such as: Kerr and Slocum (2005) who found that market culture linked with reward systems was crucial to the growth of firms in the United States of America. Odhiambo (2014); Gracia-Morales et al. (2008); Odhiambo et al. (2013) found that there exists a non-significant linear relationship between corporate culture and operating expense among micro finance institutions in Kenya.

According to Tekauchi et al. (2007); Lee & Yu (2004) balance between bureaucratic efficiencies and bureaucratic inefficiencies making it difficult to establish concretely if bureaucratic culture affects operational performance positively or negatively. This study established that among foreign multinational companies in Kenya, bureaucratic efficiencies outweigh bureaucratic inefficiencies. This finding could be justified by the complexities in the business environment that they operate in. The results of this study revealed that employees' perceptions of the four dimensions of corporate culture are positively related to employees' work commitment, with organizations perceiving a greater degree of awareness of corporate culture dimensions exhibiting more positive variances towards their operational performance.

5.5 Implications of Research

Various stakeholders can derive various implications from the study findings and use them in exercising judgement depending on their areas of need.

5.5.1 Contribution to Management

The management of multinational companies will benefit from the study in terms of identifying the instances of various practices in organizations and classifying individual actions of management and employees guided by the potential influence derived from the study. Diagnosing those traits is the first step to managing them effectively especially in instances where activities such as recruitment, on-boarding, performance management and innovation are being carried out by the organization.

5.5.2 Contribution to Policy

The study findings will also inform organizational policy development encompassing issues such as recruitment and selection, reward systems, compliance, customer engagement, performance appraisals and employee development. This study found that consensual culture significantly affects operational performance and therefore companies should adopt appraisal methods that promote a degree of involvement with peers. Also corporate culture as a significant variable should inform policies around recruitment and selection to ensure that firms attract the right people in the right environment depending on the firm activities.

5.5.3 Contribution to Knowledge

The findings of this study have contributed to the understanding of the influence of corporate culture on the operational performance of multinational companies. The key contribution is creating an understanding of the various dimensions of corporate culture and the possible influence that each culture trait could have on organizational outcomes as well as highlighting areas for further study in cases where findings contradicted the findings of other scholars therefore arousing debates. This study has filled contextual gaps that arose in the empirical review by focusing on both multinational companies and developing countries. By adopting a quantitative approach the study has addressed concerns raised by scholars Berson, Oreg and Dvir (2008) on the importance of studying culture from a quantitative approach other than the dominant qualitative approach.

5.6 Areas of Further Studies

The study recommends further research on the influence of corporate culture on the operational performance of other firms since this study only focused on foreign multinational companies.

The study also recommends further investigation on the potential of existing moderating variables when studying the influence of corporate culture and operational performance since some variables that displayed correlation proved to be insignificant when multiple regression was run. Variables such as marketing capabilities, market orientation, job satisfaction, and employee productivity could be introduced in the relationship.

The study also recommends that other research designs especially mixed longitudinal research should be carried out because aspects such as consensual culture can be better investigated using qualitative research and culture needs to be monitored over time because it can be affected by occurrences such as change in senior leadership.

5.7 Limitations of the Study

The study was carried out with limitations, one being corporate culture was conceptualized based on the classification put forward by Deshpande, Farley and Webster (1993) that is market, adhocracy, bureaucratic and consensual culture. There are other classifications of culture fronted by other scholars including Miroshnik and Basu (2014). The findings of the study were therefore based on the above classification.

The study was also limited by the measurement of operational performance to four metrics: flexibility, quality, service and cost performance. There are other financial measures of performance as well as convenience and efficiency which has been adopted by other scholars to make up five metrics (Santos & Brito, 1996).

The response rate was also largely affected by the prevailing COVID-19 pandemic which limited the researcher's interaction with the respondents and also slowed down the speed of obtaining responses.

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Strathmore UNIVERSITY BUSINESS SCHOOL

24 January 2020

TO WHOM IT MAY CONCERN

Facilitation of Research for Okore Lavender Awino No. 84055

Ms Okore Lavender Awino is a postgraduate student in our Master of Commerce (MCom) programme. In partial fulfilment of the MCom degree, students are required to carry out a research project and write a thesis on a contemporary subject within their field of specialisation. Among other activities, the project involves data collection and analysis.

Lavender is requesting to gather information to be used in her research. The information she will obtain from your organization will be used for this academic purpose only and will be kept confidential. The results of the survey will be in summary form and will not disclose any individual, company name or company information in any way.

Our MCom seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share the findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

The research study is entitled **"The Effect of Corporate Culture on Operational Performance of Multinational Companies in Kenya."**

We appreciate your support and shall be willing to provide any further information if required.

Yours faithfully,

Quindos Karanja
Strathmore University Business School
Email: qkaranja@strathmore.edu

APPENDICES

Appendix I: Introduction Letter

Appendix II: Ethical Approval Letter

Strathmore UNIVERSITY

17th March 2020

Ms Okore, Lavender
lokore@strathmore.edu

Dear Ms Okore,

RE: The Influence of Corporate Culture On Operational Performance of Multinational Companies in Kenya

This is to inform you that the SU-IERC has reviewed and **approved** your above research proposal. Your application approval number is **SU-IERC0669/20.** The approval period is **17th March, 2020 to 16th March, 2021.**

This approval is subject to compliance with the following requirements:

i. Only approved documents including (informed consents, study instruments, MTA) will be used
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 72 hours
v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://oris.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

for: Dr Virginia Gichuru,
Secretary; SU-IERC

STRATHMORE UNIVERSITY INSTITUTIONAL ETHICS REVIEW COMMITTEE (SU-IERC)
17 MAR 2020
TEL: +254 (0)703 034 000
P. O. Box 59857 - 00200
NAIROBI - KENYA

Cc: Prof Fred Were,
Chairperson; SU-IERC

Appendix III: NACOSTI Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **701344**

Date of Issue: **28/March/2020**

RESEARCH LICENSE

This is to Certify that Miss.. LAVENDER AWINO OKORE of STRATHMORE UNIVERSITY, has been licensed to conduct research in Nairobi on the topic: THE INFLUENCE OF CORPORATE CULTURE ON OPERATIONAL PERFORMANCE OF MULTINATIONAL COMPANIES IN KENYA for the period ending : 28/March/2021.

License No: **NACOSTI/P/20/4595**

701344

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

Appendix IV: Questionnaire

This questionnaire is designed for purposes of collecting data for a research study on the Influence of Corporate Culture on Operational Performance of Multi-National Companies in Kenya.

You are kindly requested to fill it with a tick (√) or explanation where necessary. All responses provided will be strictly confidential and will be used for academic purposes only. Your participation will be highly appreciated.

SECTION A: BACKGROUND INFORMATION

1. Gender ☐ Male ☐ Female

2. Age ☐ 25 years & below ☐ 36-40 years ☐ 46-50 years
   ☐ 26-35 years ☐ 41-45 years. ☐ Above 55 years

3. Department ☐ Administration ☐ Finance ☐ HR
   ☐ Customer Care ☐ ICT ☐ Legal
   ☐ Research & Development ☐ Internal Audit ☐ Procurement

4. Level ☐ Top Management ☐ Middle Management ☐ Operational

5. What is your highest academic qualification?
   ☐ Diploma ☐ Bachelor's Degree ☐ Master's Degree

   Other (specify)……...

6. Where is the head quarter of your company located?
   ☐ Africa ☐ Asia ☐ Oceania
   ☐ Europe ☐ North America

7. For how long have you been working in the organization?
   ☐ 0-1 years ☐ 2-5 years ☐ 6-9 years ☐ 10 years & above

SECTION B: CORPORATE CULTURE

The statements below depict various traits of corporate culture in multinational companies. Kindly indicate (by ticking one box for each statement) the level at which you agree with each of them.

	Market Culture	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
8.	Our company bases individual performance on achievement of tasks and goal attainment.					
9.	Our leaders have high expectations and incline more towards good reputation.					
10.	Our leaders set clear and specific goals for each employee.					
11.	Our employees present periodic progress reports to management.					
12.	Our company encourages competition across different departments/units.					
13.	Our company has forged partnerships, alliances and other business relationships in the past 3 years.					
14.	Failure to accomplish tasks on time leads to retribution.					
15.	Our employees are continuously aware of renewed expectations set by the organization.					
16.	Our employees are recognized for achievement of outcomes (employee of the month, roll of honor, material gifts).					

	Adhocracy Culture	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
17.	Our company promotes creativity among employees.					

	Adhocracy Culture	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
18.	Our leadership is supportive of new ideas.					
19.	There has been improved level of innovations in the company over the last three years.					
20.	Our company encourages Experimentation, risk taking and dynamism.					
21.	Our leaders prominently recognize failure as the first step to success.					
22.	Our company's reward system accommodates new projects initiated by employees.					
23.	Our work environment is designed to prompt development of new ideas (color, graphics, music etc.)					

	Bureaucratic Culture	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
24.	We understand well the rules, policies and guidelines of the company.					
25.	We share common goals with the company making operations seamless.					
26.	Our work environment is very procedural, structured and formalized.					
27.	Our company ensures clear instructions are availed to staff concerning their tasks and duties.					
28.	The success of the company is based on how smoothly various functional areas are run.					
29.	Our company values consistency and stability in its operations as opposed to uncertainty and ambiguity.					

	Consensual Culture	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
30.	Our company is open and always keeps employees informed of any changes within.					
31.	Employee development is prioritized across the company.					
32.	I intend to invest in and maintain the relationship that I have with the organization.					
33.	We interact regularly with fellow employees.					
34.	The company's mission statement is geared towards social welfare.					
35.	We provide our opinion and views regarding the operations of the company.					
36.	Our company invites us to social interaction events for employees at least twice a year (seminars, cocktails, parties).					
37.	We take invites to interactive sessions seriously and show up.					
38.	I intend to remain in this organization as an employee because it offers me more than just financial benefits.					

SECTION C: OPERATIONAL PERFORMANCE

In this section you will be assessing the following statements on the indicators of operational performance. Please tick a number from (√) 1 to 5 using the scale below where applicable:

	Quality performance	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
39.	Our goods/services are superior to those of our competitors.					
40.	Even though fees are increased by our company, our customers are not bothered.					
41.	We get most of our customers through referrals from existing customers.					
42.	Our employees are competent in their areas of specialization.					
43.	Our company has a robust and effective quality management system in place.					
44.	Our products always conform to national and corporate specifications.					
45.	Our company always produces durable customized products.					
46.	Majority of our products and services pass final inspection stage.					
47.	Generally, the company produces/provides high quality goods/services.					
	Service performance	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
48.	Our products/services are readily available.					
49.	Our company ensures that it customizes product features according to customer preferences.					

	Service performance	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
50.	We always have a short delivery cycle of our products and services.					
51.	Our company prioritizes having a low order response time.					
52.	Our company regularly tracks the customer complaint resolution duration.					
53.	Our employees are regularly trained on appropriate customer handling practices.					
54.	Customer feedback is regularly obtained, reviewed and acted on.					
55.	Our company carries out market research at least once a year.					
56.	Our company's top managers regularly interact with current and prospective customers at least once a year.					
	Flexibility performance	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
57.	Our company responds fast enough to clients' demands.					
58.	We offer a wide variety of products from time to time.					
59.	At least 3 new product developments have happened in our company over the last three years.					
60.	We are quick to detect changes on consumer preferences.					
61.	Our decision making process is adaptive and inclusive.					
62.	There is consistency in the adoption of new systems and technology.					
63.	Our employees are willing to work with the new systems without falling back on old ones.					

	Cost performance	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
64.	The company aims at maintaining a low selling price for its products.					
65.	Our company is consciously managing its variable cost to make its products more affordable.					
66.	We give financial goals priority during budgeting and resource allocation.					
67.	We incur less costs on sales and marketing because of many referrals from existing customers.					
68.	The quality of our products makes the company incur less product maintenance cost.					

Thank you for your time and co-operation.

Appendix V: List of Foreign Multi-National Corporations

No.	Company	Home Country	Continent of origin
1	ABB Asea Brown Boveri Limited	Sweden	Europe
2	ABB Limited	Switzerland	Europe
3	Abercrombie Kent Tours Limited	UK	Europe
4	Achelis Group	Germany	Europe
5	Acme Press Kenya Limited	USA	North America
6	African Highland Produce Company Ltd	UK	Europe
7	Afsat Communications Limited	UK	Europe
8	Air India	India	Asia
9	Air Italy	Italy	Europe
10	Air Mauritius	Mauritius	Africa
11	Air Tanzania	Tanzania	Africa
12	Air Zimbabwe	Zimbabwe	Africa
13	Airside Limited	Switzerland	Europe
14	Alfa Level Regional Office	Sweden	Europe
15	Amiran Kenya Limited	UK	Europe
16	Anova East Africa (ANEA)	Netherlands	Europe
17	AoN Minet Insurance Brokers Ltd	UK	Europe
18	Asahi Shimbun	Japan	Asia
19	Asami Motor Services	Japan	Asia
20	Ashok Leyland	India	Asia
21	Assa Abloy East Africa Limited	Sweden	Europe
22	Atlas Copco Eastern Africa Limited	Sweden	Europe
23	Aust-Ang Catering Ltd	Germany	Europe
24	Auto Sueco East Africa Ltd (Volvo)	Sweden	Europe
25	Avery Kenya Limited	UK	Europe
26	Avon Rubber Company	UK	Europe
27	Bank of Baroda	India	Asia
28	Bank of China	China	Asia
29	Barclays Bank of Kenya Ltd	UK	Europe
30	BASF	Germany	Europe

No.	Company	Home Country	Continent of origin
31	Lufthansa	Germany	Europe
32	Bata Shoes Company (K) Ltd	Switzerland	Europe
33	Bayer East Africa Limited	Germany	Europe
34	Beiersdorf East Africa	Germany	Europe
35	Berger Paints	UK	Europe
36	Beta Healthcare	UK	Europe
37	Bharti Airtel	India	Asia
38	BOC Kenya Limited	UK	Europe
39	Bonar East Africa Limited	UK	Europe
40	Booker Tate	UK	Europe
41	Brackia Nodor Limited	UK	Europe
42	British Airways	UK	Europe
43	British American Investment	Mauritius	Africa
44	British American Tobacco	UK	Europe
45	British Broadcasting Corporation	UK	Europe

No.	Company	Home Country	Continent of origin
46	Cadbury Kenya	UK	Europe
47	Cadila Pharmaceuticals Limited	India	Asia
48	Caltex Oil Kenya Limited	USA	North America
49	Camaud Metal Box Kenya Ltd	UK	Europe
50	Castle Brewing Kenya Limited	South Africa	Africa
51	Central Television	China	Asia
52	Ceva Animal Health Eastern Africa Limited	Sweden	Europe
53	Chase Bank Kenya	USA	North America
54	China Central Television (CCTV)	China	Asia
55	China Daily	China	Asia
56	China Jiangsu International	China	Asia
57	China National Aero-Technology Import-Export Corporation	China	Asia
58	China Overseas Engineering Corporation	China	Asia
59	China Radio International	China	Asia
60	China Road & Bridge Corporation	China	Asia

No.	Company	Home Country	Continent of origin
61	Chloride Exide Emmerson US	India	Asia
62	Cisco Systems	USA	North America
63	Citi Bank Limited	USA	North America
64	CMA CGM Kenya Ltd	France	Europe
65	Coca Cola	USA	North America
66	Colgate Palmolive EA Limited	USA	North America
67	Cosmic Crayon Company EA Limited	USA	North America
68	Crown Cork Company EA Limited	USA	North America
69	Cussons and Company	UK	Europe
70	Daewoo Corporation	Korea	Asia
71	Deloitte Touche Tomatsu	USA	North America
72	Delta Airlines	USA	North America
73	DHL	Germany	Europe
74	Dow Chemicals	China	Asia

No.	Company	Home Country	Continent of origin
75	East African Development Bank	Uganda	Africa
76	EcoBank	Togo	Africa
77	Ecolab East Kenya (K) Limited	USA	North America
78	Economic Technical Cooperation Corporation	China	Asia
79	Egypt Air	Egypt	Africa
80	Eltek	Norway	Europe
81	Emirates	Dubai	Asia
82	Ericsson Kenya Limited	Sweden	Europe
83	Ernst & Young	UK	Europe
84	Ethiopian Air	Ethiopia	Africa
85	Fairview Hotel	UK	Europe
86	fCEVA Logistics/TNT Logistics	Netherlands	Europe
87	FedEx	USA	North America
88	Fidelity Bank	USA	North America

No.	Company	Home Country	Continent of origin
89	Fila East Africa	Korea	Asia
90	Firestone East Africa	USA	North America
91	First Rand Bank	South Africa	Africa
92	Foton Motors	China	Asia
93	Fresh Del Monte Produce	USA	North America
94	General Electric	USA	North America
95	General Motors	USA	North America
96	Glaxo Smithkline (K) Ltd	UK	Europe
97	Google	USA	North America
98	Greif Kenya Limited	USA	North America
99	GSM Association	UK	Europe
100	Habib Bank AG Zurich	Switzerland	Europe
101	Heildelberg East Africa	Germany	Europe
102	Heineken	Netherlands	Europe

No.	Company	Home Country	Continent of origin
103	Henkel Kenya Limited	Germany	Europe
104	Holam Brothers EA(Broom & Wade)	UK	Europe
105	Hotel Intercontinental Nairobi	UK	Europe
106	Hwan Sung Industries Kenya Limited	Korea	Asia
107	Hyundai Corporation	Korea	Asia
108	IBM	USA	North America
109	IGE Resources AB Africa	Sweden	Europe
110	IKAO	Germany	Europe
111	Innscor International Franchising	Zimbabwe	Africa
112	Interfreight Kenya Limited	New Zealand	Oceania
113	Itochu Corporation	Japan	Asia
114	Kajima Corporation	Japan	Asia
115	Alfa Level Regional Office	Sweden	Europe
116	ABB Asea Brown Boveri Limited	Sweden	Europe

No.	Company	Home Country	Continent of origin
117	KIVA	US	North America
118	KLM Royal Dutch Airlines	Netherlands	Europe
119	KPMG	Netherlands	Europe
120	Kuehne+Nagel	Germany	Europe
121	LG	Korea	Asia
122	LG Harris& Company EA Limited	UK	Europe
123	Liquid Telcom	Zimbabwe	Africa
124	Maersk Logistics Kenya Limited	Denmark	Europe
125	Mantrac Group	Egypt	Africa
126	Manugraph Kenya Limited	India	Asia
127	Marshalls East Africa (Tata)	India	Asia
128	Mastercard	USA	North America
129	Matsushita Electrical Industrial	Japan	Asia
130	McCann Erickson Kenya Limited	USA	North America
131	Microsoft	USA	North America
132	Minet ICDC Insurance Brokers	UK	Europe
133	Mitsubishi Corporation (Rep Office)	Japan	Asia
134	Mitsui & Company Limited	Japan	Asia
135	Mobil Oil Kenya Limited	USA	North America
136	Nairobi Hilton Hotel	UK	Europe
137	Nec Corporation	Japan	Asia
138	Nestle Foods Kenya Limited	Switzerland	Europe
139	Nippon Koei Limited	Japan	Asia
140	Nissan (KVA)	Japan	Asia
141	Nissho Iwai Corporation	Japan	Asia
142	Nokia	Finland	Europe
143	Nokia Research Hub	Finland	Europe
144	Novartis (Ciba-Geigy)	Switzerland	Europe

No.	Company	Home Country	Continent of origin
145	Oilybia	Libya	Africa
146	Old Mutual Group	UK	Europe
147	Otis Elevators	USA	North America
148	Overseas Courier Company	Japan	Asia
149	Pepsi-Cola	USA	North America
150	Peugeot Kenya	France	Europe
151	Pfizer Laboratories Limited	USA	North America
152	Phillip Medical Systems	Netherlands	Europe
153	Pirelli Tyre	Italy	Europe
154	Posterscope Kenya (Aegis Group)	UK	Europe
155	Praj Industries Limited	India	Asia
156	Price Waterhouse Coopers	UK	Europe
157	Private Safaris	Switzerland	Europe
158	Procter & Gamble	USA	North America

No.	Company	Home Country	Continent of origin
159	Qualcomm	USA	North America
160	Raymond Woolen Mills K Ltd	India	Asia
161	Reckitt Benckiser	UK	Europe
162	Regal Press Kenya Limited	Canada	North America
163	Rentokil Limited	UK	Europe
164	Research in Motion	Canada	North America
165	Research In Motion	Canada	North America
166	Reuters	UK	Europe
167	Roche Products	Switzerland	Europe
168	Royal Dutch Shell	Netherlands	Europe
169	RTI International	US	North America
170	Ryden International	UK	Europe
171	SAAB Automobile AB	Sweden	Europe
172	SAB Miller	UK	Europe

No.	Company	Home Country	Continent of origin
173	Sadolin Paints (Akzo Nobel)	Denmark	Europe
174	Sage Group	UK	Europe
175	Samsung	Korea	Asia
176	Sandvik Kenya	Sweden	Europe
177	Sanyo Armco	Japan	Asia
178	SC Johnson & Son	USA	North America
179	Scala EA Limited	Sweden	Europe
180	Scania Kenya Grange	Sweden	Europe
181	Schenker Limited	Germany	Europe
182	Schindler Limited	Switzerland	Europe
183	SDV Transami	France	Europe
184	Securicor	UK	Europe
185	Seminis Vegetable Seeds (SVS)	Netherlands	Europe
186	SERA Software East Africa	Netherlands	Europe

No.	Company	Home Country	Continent of origin
186	SERA Software East Africa	Netherlands	Europe
187	SGS Kenya Limited	Switzerland	Europe
188	Shell-British Petroleum	UK	Europe
189	Sher Flowers	India	Asia
190	Siemens	Germany	Europe
191	SIETCO Development Corporation	China	Asia
192	Silentnight	UK	Europe
193	Skanska	Sweden	Europe
194	SKJF Kenya Limited	Sweden	Europe
195	Solar World EA	Germany	Europe
196	Stanbic Bank Kenya Limited	South Africa	Africa
197	Standard Chartered Bank Kenya	UK	Europe
198	Steers	South Africa	Africa
199	Sumitomo Corporation	Japan	Asia

No.	Company	Home Country	Continent of origin
200	Swedfund International AB	Sweden	Europe
201	Syngenta EA	Switzerland	Europe
202	Tata Chemicals (Magadi Soda)	India	Asia
203	Tata Motors	India	Asia
204	Technogym	Italy	Europe
205	Tetra Pak Limited	Sweden	Europe
206	Texchem Limited	Malaysia	Asia
207	The Wrigley Company EA	USA	North America
208	Tibbet & Britten Kenya (Exel)	USA	North America
209	Tiomin Resources Incorporated	Canada	North America
210	Total Kenya Limited	France	Europe
211	LC Waikiki	France	Europe
212	Toyota Kenya	Japan	Asia
213	Treadsetters Tyres	UK	Europe

No.	Company	Home Country	Continent of origin
214	Tullow Oil	UK	Europe
215	UAP Provincial Insurance Company Limited	UK	Europe
216	UB Pharma Limited	India	Asia
217	UDV Kenya (Guiness)	UK	Europe
218	Ulf Ashehan Safaris	Sweden	Europe
219	Unigraphics Kenya Ltd	Canada	North America
220	Unilab Kenya	Philippines	Asia
221	Unilever Kenya Ltd (Unilever PLC)	UK	Europe
222	United Apparels EPZ	Sri Lanka	Asia
223	Van Leer Balmer-Lwarie & Company	India	Asia
224	Big Square	South Africa	Africa
225	Visa Inc.	USA	North America
226	Vitacress Kenya Limited	UK	Europe
227	Vitafoam	UK	Europe

No.	Company	Home Country	Continent of origin
228	Vodafone (Safaricom)	UK	Europe
229	Vvestergaard Frandsen	Switzerland	Europe
230	Wee Lines Limited	Netherlands	Europe
231	Weetabix Limited	UK	Europe
232	Weurth (Kenya) Limited	Germany	Europe
233	Wigglesworth and Company Limited	UK	Europe
234	Williamson Tea Holdings	UK	Europe
235	Woolworths	South Africa	Africa
236	Xinhua News Agency	China	Asia
237	Yellow Wings Air Services Limited	Switzerland	Europe
238	Zakhem International Constrution Limited	Lebanon	Asia

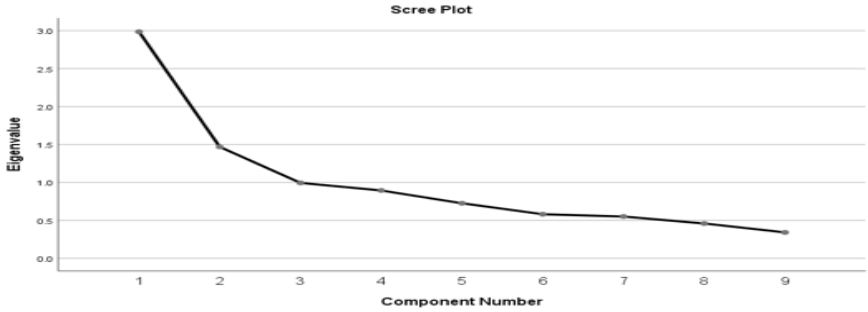
Source: Kenya National Bureau of Statistics Economic Survey 2016.

Appendix VI: Validity Test Results for Independent Variable

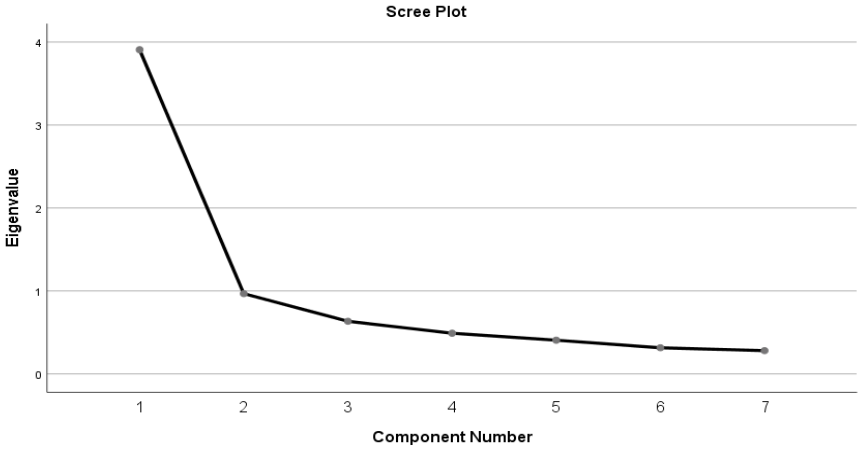
Communalities		
	Initial	Extraction
Market culture	1.000	0.675
Market culture	1.000	0.783
Market culture	1.000	0.558
Market culture	1.000	0.375
Market culture	1.000	0.493
Market culture	1.000	0.416
Market culture	1.000	0.386
Market culture	1.000	0.417
Market culture	1.000	0.351
Extraction Method: Principal Component Analysis.		

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.986	33.174	33.174	2.986	33.174	33.174	2.841	31.569	31.569
2	1.468	16.314	49.488	1.468	16.314	49.488	1.613	17.919	49.488
3	0.994	11.045	60.534						
4	0.894	9.933	70.467						
5	0.725	8.061	78.528						
6	0.581	6.459	84.987						
7	0.551	6.121	91.109						
8	0.459	5.097	96.205						
9	0.342	3.795	100.000						
Extraction Method: Principal Component Analysis.									



KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.842
Bartlett's Test of Sphericity	Approx. Chi-Square	931.066
	Df	21
	Sig.	0.000



Communalities		
	Initial	Extraction
Adhocracy culture	1.000	0.569
Adhocracy culture	1.000	0.618
Adhocracy culture	1.000	0.412
Adhocracy culture	1.000	0.629
Adhocracy culture	1.000	0.463
Adhocracy culture	1.000	0.659
Adhocracy culture	1.000	0.558
Extraction Method: Principal Component Analysis.		

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.908	55.823	55.823	3.908	55.823	55.823
2	0.967	13.816	69.639			
3	0.634	9.058	78.698			
4	0.490	7.003	85.701			
5	0.406	5.801	91.501			
6	0.315	4.498	95.999			
7	0.280	4.001	100.000			

Communalities

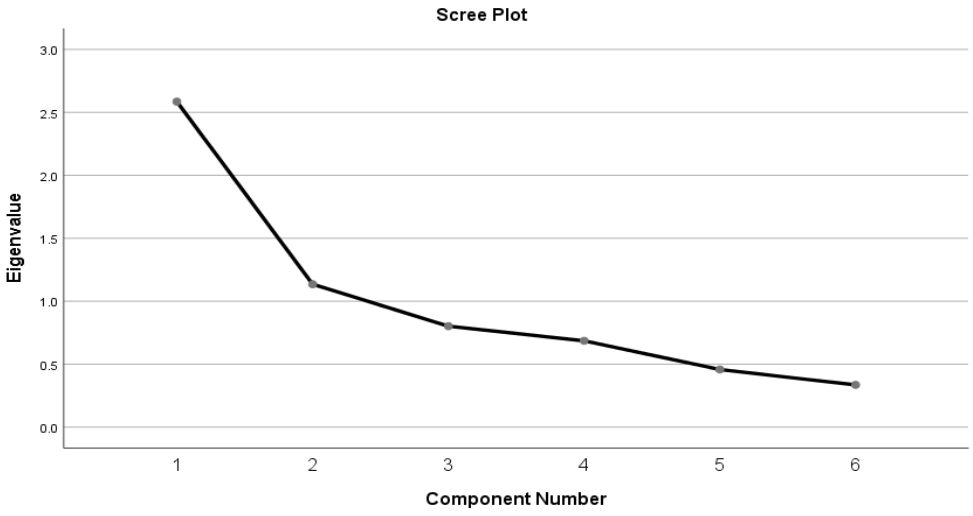
	Initial	Extraction
Bureaucratic culture	1.000	0.769
Bureaucratic culture	1.000	0.828
Bureaucratic culture	1.000	0.385
Bureaucratic culture	1.000	0.643
Bureaucratic culture	1.000	0.623
Bureaucratic culture	1.000	0.472

Extraction Method: Principal Component Analysis.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.585	43.084	43.084	2.585	43.084	43.084	2.080	34.666	34.666
2	1.135	18.914	61.998	1.135	18.914	61.998	1.640	27.332	61.998
3	0.802	13.364	75.362						
4	0.686	11.425	86.787						
5	0.457	7.625	94.412						
6	0.335	5.588	100.000						

Extraction Method: Principal Component Analysis.



Communalities

	Initial	Extraction
Consensual culture	1.000	0.659
Consensual culture	1.000	0.777
Consensual culture	1.000	0.619

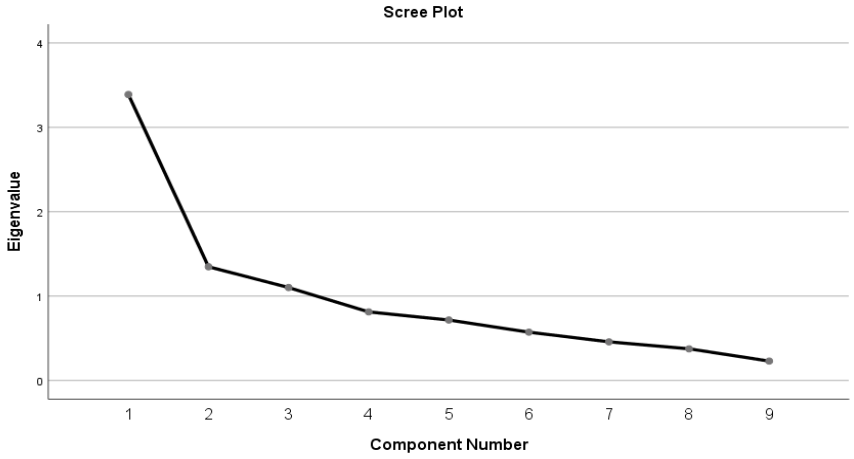
Consensual culture	1.000	0.561
Consensual culture	1.000	0.676
Consensual culture	1.000	0.566
Consensual culture	1.000	0.726
Consensual culture	1.000	0.692
Consensual culture	1.000	0.562
Extraction Method: Principal Component Analysis.		

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.389	37.654	37.654	3.389	37.654	37.654	2.239	24.875	24.875
2	1.347	14.971	52.624	1.347	14.971	52.624	2.203	24.477	49.353
3	1.101	12.236	64.860	1.101	12.236	64.860	1.396	15.508	64.860
4	0.812	9.026	73.887						
5	0.716	7.959	81.846						
6	0.572	6.360	88.206						
7	0.458	5.084	93.290						
8	0.375	4.164	97.453						
9	0.229	2.547	100.000						
Extraction Method: Principal Component Analysis.									

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.725
Bartlett's Test of Sphericity	Approx. Chi-Square	797.673
	Df	36
	Sig.	0.000



KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.796
Bartlett's Test of Sphericity	Approx. Chi-Square	718.529

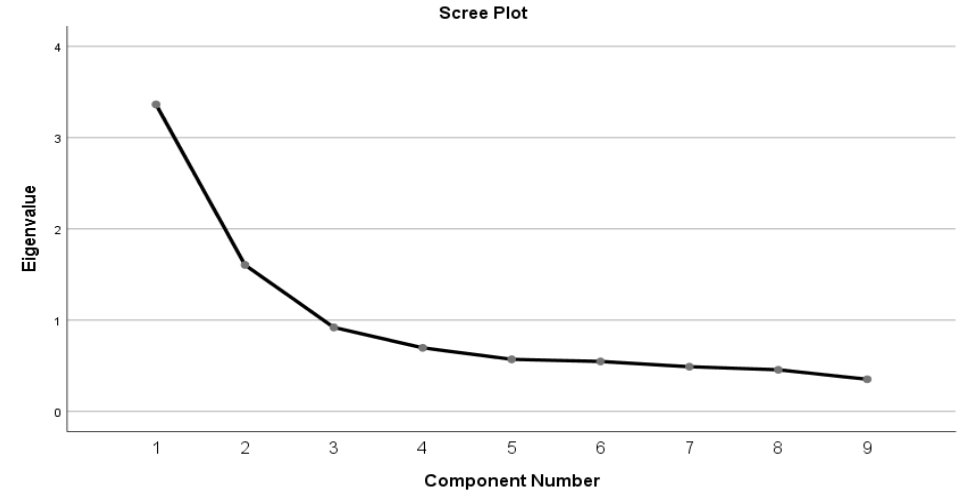
	Df	36
	Sig.	0.000

Communalities		
	Initial	Extraction
Quality performance	1.000	0.480
Quality performance	1.000	0.544
Quality performance	1.000	0.525
Quality performance	1.000	0.502
Quality performance	1.000	0.555
Quality performance	1.000	0.556
Quality performance	1.000	0.593
Quality performance	1.000	0.620
Quality performance	1.000	0.595
Extraction Method: Principal Component Analysis.		

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.364	37.374	37.374	3.364	37.374	37.374	2.738	30.422	30.422
2	1.605	17.836	55.210	1.605	17.836	55.210	2.231	24.788	55.210
3	0.920	10.224	65.434						
4	0.696	7.739	73.172						
5	0.570	6.337	79.509						
6	0.547	6.075	85.584						
7	0.489	5.437	91.021						
8	0.456	5.066	96.087						
9	0.352	3.913	100.000						

Extraction Method: Principal Component Analysis.

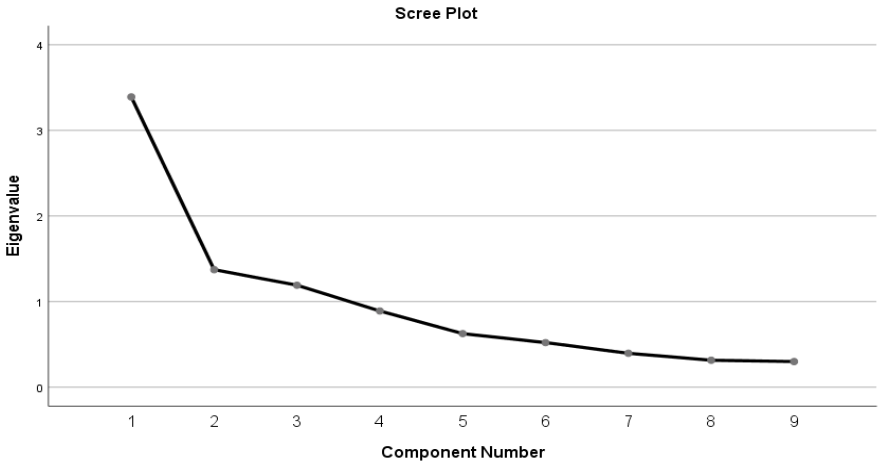


KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.741
Bartlett's Test of Sphericity	Approx. Chi-Square	825.403
	Df	36
	Sig.	0.000

Communalities		
	Initial	**Extraction**
Service Performance	1.000	0.432
Service Performance	1.000	0.517
Service Performance	1.000	0.679
Service Performance	1.000	0.789
Service Performance	1.000	0.796
Service Performance	1.000	0.669
Service Performance	1.000	0.768
Service Performance	1.000	0.671
Service Performance	1.000	0.633
Extraction Method: Principal Component Analysis.		

Total Variance Explained			
Component	Initial Eigenvalues	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.390	37.671	37.671	3.390	37.671	37.671	2.468	27.426	27.426
2	1.372	15.249	52.920	1.372	15.249	52.920	1.871	20.784	48.210
3	1.191	13.233	66.153	1.191	13.233	66.153	1.615	17.943	66.153
4	0.890	9.892	76.045						
5	0.625	6.950	82.995						
6	0.521	5.787	88.782						
7	0.396	4.399	93.181						
8	0.315	3.497	96.678						
9	0.299	3.322	100.000						
Extraction Method: Principal Component Analysis.									

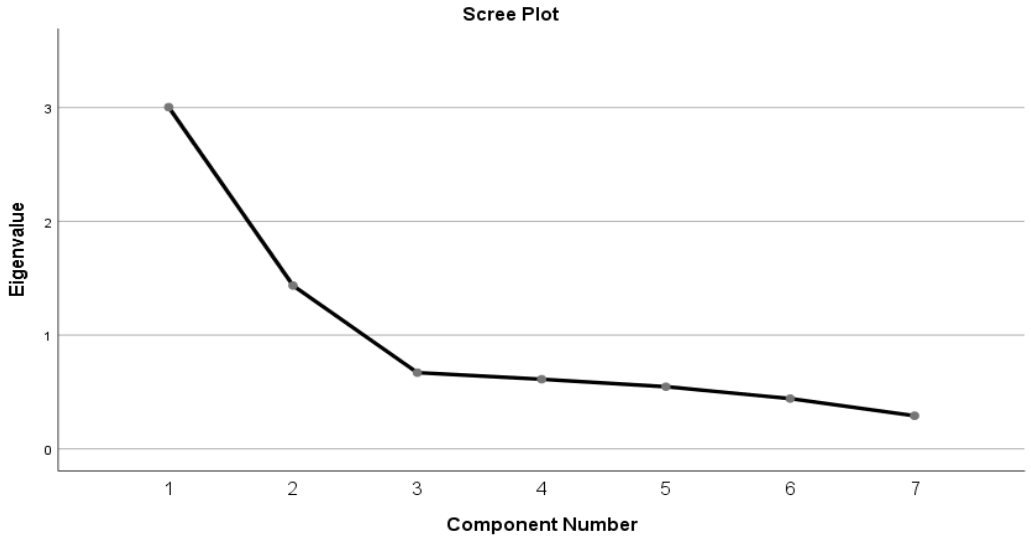


KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.744
Bartlett's Test of Sphericity	Approx. Chi-Square	612.947
	Df	21
	Sig.	0.000

Communalities		
	Initial	Extraction
Flexibility performance	1.000	0.541
Flexibility performance	1.000	0.639
Flexibility performance	1.000	0.578
Flexibility performance	1.000	0.558
Flexibility performance	1.000	0.649
Flexibility performance	1.000	0.726
Flexibility performance	1.000	0.748
Extraction Method: Principal Component Analysis.		

Total Variance Explained			
Component	Initial Eigenvalues	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.003	42.906	42.906	3.003	42.906	42.906	2.291	32.727	32.727
2	1.435	20.506	63.412	1.435	20.506	63.412	2.148	30.685	63.412
3	0.670	9.571	72.984						
4	0.612	8.742	81.726						
5	0.546	7.806	89.532						
6	0.442	6.309	95.842						
7	0.291	4.158	100.000						
Extraction Method: Principal Component Analysis.									

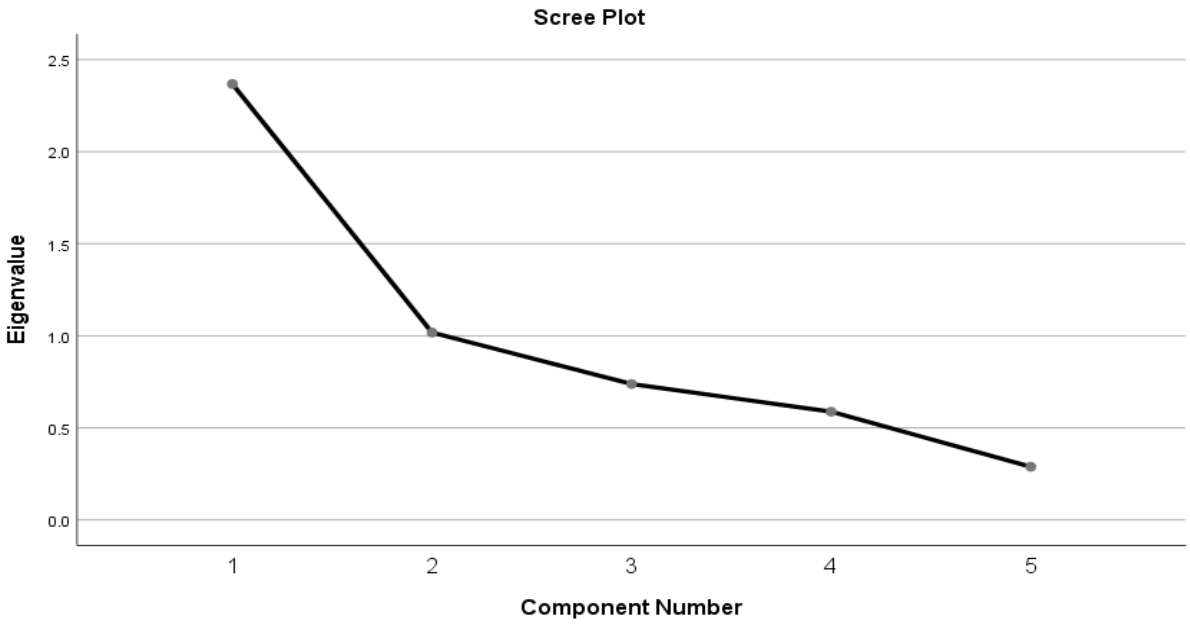


KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.651
Bartlett's Test of Sphericity	Approx. Chi-Square	352.726
	Df	10
	Sig.	0.000

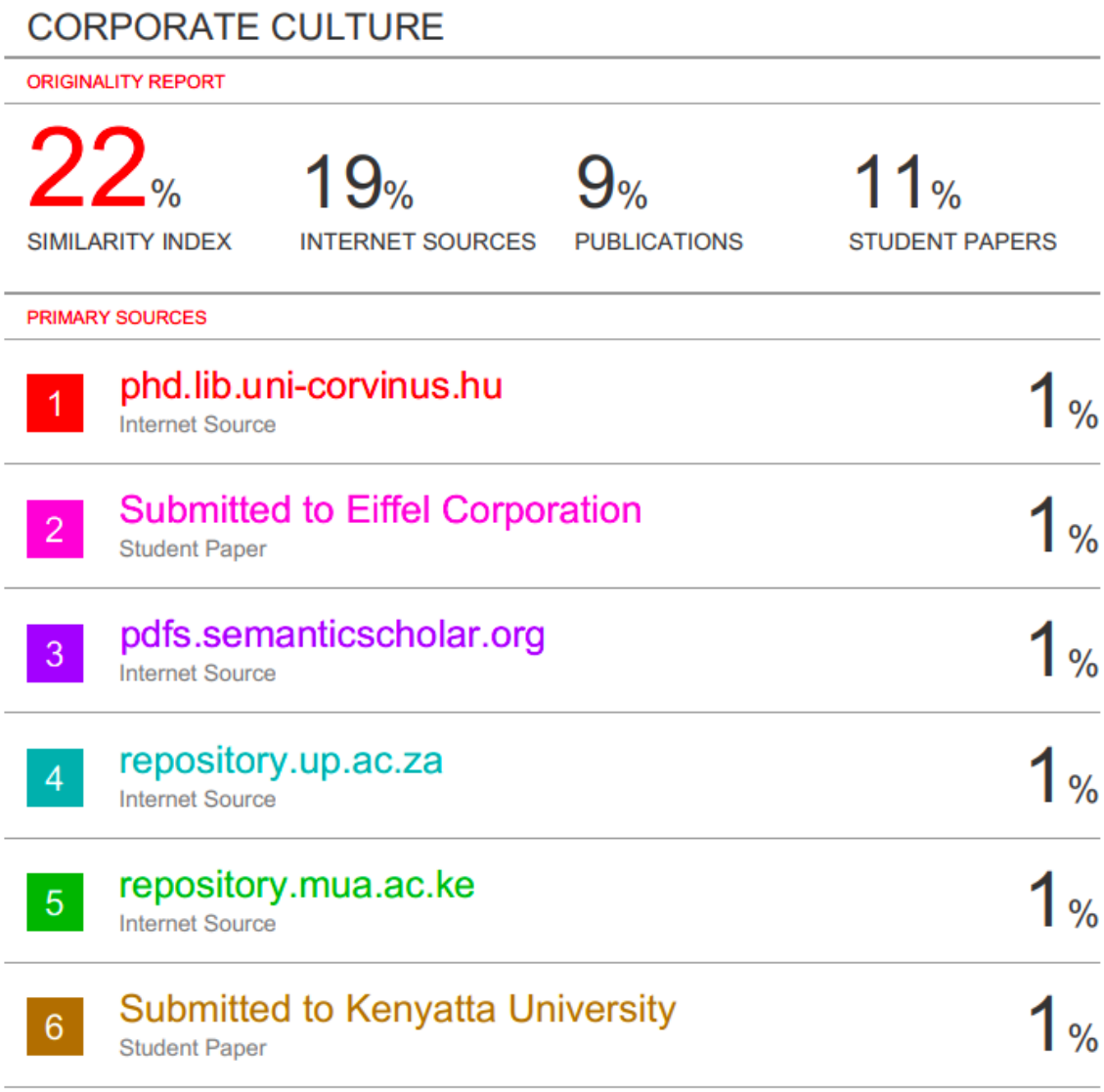
Communalities		
	Initial	Extraction
Cost performance	1.000	0.674
Cost performance	1.000	0.597
Cost performance	1.000	0.709
Cost performance	1.000	0.650
Cost performance	1.000	0.755
Extraction Method: Principal Component Analysis.		

Total Variance Explained			
Component	Initial Eigenvalues	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.368	47.351	47.351	2.368	47.351	47.351	1.766	35.315	35.315
2	1.018	20.354	67.705	1.018	20.354	67.705	1.619	32.390	67.705
3	0.738	14.765	82.470						
4	0.588	11.755	94.225						
5	0.289	5.775	100.000						
Extraction Method: Principal Component Analysis.									



Appendix VII: Turnitin Plagiarism Report



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