

Organizational Culture and Performance

A study of Covenant University

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Abstract - The success or otherwise of an organization is heavily dependent on the skills, knowledge, ability and the underlying characteristic governing the organization. The underlying characteristic here goes fairly deep into the enduring part of the organization: the values and beliefs governing the members of the organization. This study aims at investigating how the collective values, beliefs and principles of organizational members determine the success or otherwise of an organization.

Through case-study methodology, this paper analyzes the success of Covenant University, Nigeria, which despite the challenging Nigerian business environment characterized by lack of infrastructures, unfavorable government policies, and high inflation rate, has seen tremendous growth and development in the twelve years of existence as exhibited by its position as the number one University in Nigeria and West Africa as a whole in the recently concluded webometrics ranking. It is observed that the success of the University is as a result of the core values of the organization, which has trickled down from the entrepreneur to every level of management, teaching and non-teaching staff and which is duly enforced on the students of the University.

Keywords: Organizational culture, Performance, Core Values, Covenant University.

I. INTRODUCTION

Every organization has a survival objective (Allaire and Firsirotu, 1984; Barnard, 1983; Rice, 1963), what differentiates organizations is the method through which this survival objective is achieved, usually through maximum utilization of available resources (Allaire and Firsirotu, 1984). Studies show that human resource is the most critical to an organization's strategic success and competitive advantage (DiVanna and Rogers, 2005; Gabcanova, 2011), it is no wonder Selznick (1957), Rhenman (1973) and Harrison (1972) synonym organizations with the personality, needs and, character of its human resource. It is within this context, that organizations are conceived as little societies characterized by social norms and structures, commonly allegorized as organizational culture (Allaire and Firsirotu, 1984; Eldridge and Crombie, 1974).

Organizational culture as defined by Lundy and Cowling (1996) is "the way we do things here." Organizational culture is the deeply rooted values and beliefs that are shared by personnel in an organization. Various organizations have differing terms used to collectively refer to the values and beliefs of its members.

Most organizations term these guiding principles that dictate behavior and action: Core Values.

This study examines the influence the Core Values of Covenant University has on its performance, using a case study approach; it is observed that these values and beliefs are continuously communicated, monitored and enforced on all members of the Covenant University community.

Empirical evidence shows that well-built organizational culture that aids its members in performing roles and achieving goals birth effective organizational performance (Sun, 2008).

II. LITERATURE REVIEW

A. Organizational Culture defined

Organizational culture as defined by Uttal (1983) is a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organization structures, and control systems to produce behavioral norms (the way we do things around here). Similarly, Sun (2008) defines organizational culture as the "set of theory" of important values, beliefs, and understandings that members share in common, which help managers to make decision and arrange activities of the organization.

Brown (1995, 1998) delineates organizational culture as the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization's history, and which tend to be manifested in its material arrangements and in the behaviors of its members. Correspondingly, Schein (1985) defines organizational culture as basic assumptions members of an organization poses, which directs their thoughts and actions. Schein further defines organizational culture as a pattern of shared basic assumptions learned by organizational members as they solve problems of external adaptation and internal integration, which have proved to be valid, and are then taught to new members as the correct way to perceive, think and feel in relation to those problems. Morgan (1986) argues that due to the high role human nature processes play in an organization, it is important that organizations are built around people rather than techniques.

B. Hofstede's organization culture themes

Hofstede, a pioneer of literature on organizational culture, proposes a four-themed approach to understanding organizational culture (Hofstede et al (1990):

- Culture as a learned entity: This cultural theme goes in line with the definition of organizational culture as “the way we do things around here” or “the way we think about things around here” (Williams et al, 1994; Schein, 1984). In this theme, Hofstede proposes organizational culture as a pattern developed by the members of the organization, which is then transferred to new members.
- Culture as a belief system: Here, organizational culture is viewed as the pattern of shared beliefs and values, that gives members of an institution meaning, and provides them with the rules of behavior in their organization (Davis, 1984; Sun, 2008). As such, organizational culture is viewed as a fundamental guiding belief.
- Culture as a strategy: Bate (1995) argues that culture is a strategic phenomenon and strategy is a culture phenomenon. In that, every kind of strategy formulation is a cultural activity and all cultural stands should be viewed as strategic decisions (Sun, 2008, Hofstede, 1980)
- Culture as mental programming: Hofstede (1980) argues that organizational culture is defined as the collective programming of the mind, which distinguishes the members of one category of people from another. Standing on Hofstede's argument, Brown (1988) proposes that values form the core of culture, and are intimately connected with moral and ethical codes, thereby defining “likes” and “dislikes” for members in an organization.

C. Organizational Culture and Performance

In asserting the influence organizational culture has on performance, it is imperative to understand that while some cultures are strictly enforced in some organizations, other organizations do not acknowledge the presence of organizational culture (Denison and Mishra, 1995 Johnson, 1966; Allaire and Firsirotu, 1984). To effectively examine a relationship between organizational culture and performance, it is important to understand the traits of organizational culture, which form the basis in which managers maximize the influence of organizational culture on performance. In a study of the natural traits of organizational culture, Denison and Mishra (1995) establish four traits of organizational culture:

- The involvement and adaptability traits which serve as indicator of flexibility, openness and responsiveness and;
- The consistency and mission traits, which serve as indicators of integration, direction and vision, and are usually better predictors

of the profitability of an organization (Denison and Mishra, 1995).

Collectively and individually, each of the four traits of organizational culture are significant predictors of other effectiveness criteria such as quality, employee satisfaction, and over-all performance (Denison and Mishra, 1995), and as such the level to which an organization's performance is influenced by its culture will hugely rely on the organization's culture mix of traits.

In line with the relationship between organizational culture and performance, Brown (1995) posits that organizational culture is a powerful tool for improving business performance, as it can be harnessed as a competitive advantage against the company's competitors, as seen in Hewlett-Packard, IBM and Covenant University. Some benefits of organizational culture as highlighted by Hellriegel et al (2001) is its potential to enhance organizational performance, individual satisfaction, problems solving etc, especially without much supervision, as the members of the organization always know what is expected of them at all times (Sun, 2008). Martins and Terblanche (2003) stressed the following functions of organizational culture on the different processes in an organization:

- Organizational culture creates a feeling of identity among members of an organization.
- Organizational culture creates a competitive edge to enable the new members of an organization understand acceptable behavior and social system stability (Martins, 2000).

Deal and Kennedy (1982) advocate that organizational development and organizational culture should be effectively monitored in organizations if the members of an organization are expected to perform maximally.

Campbell and Stonehouse (1999) additionally emphasized on the high influence organizational culture has on employee motivation, employee morale and 'goodwill', employee productivity and efficiency, the quality of work of employees, attitude of employees in the work place and, innovation and creativity in the organization.

Sun (2008) posits that organizational culture can be a tool of a management control, where managers use selected rites, stories, symbols and common values to control and direct employee behavior, thereby building commitment to the organization and its goals.

III. CASE STUDY AND ANALYSIS

Through observation of the Covenant University community and data from the University's website, this paper adopted a review approach, by analyzing how the organizational culture of Covenant university (case study) has impacted on the performance of the organization.

A. Background Study of Covenant University Core Values

Covenant University (CU) is the fastest growing University in Nigeria, founded in 2002, with about 1500 students, today, the University is rated the number one University in West Africa (Webometrics, 2015). Founded by entrepreneur Bishop David Oyedepo, of the Living faith church world wide, the University is built on a religious foundation, as such its mission statement, vision and core values are largely established on Christian norms.

The organizational culture of the University is contained in its seven Core Values, which are Spirituality, Possibility Mentality, Capacity Building, Integrity, Responsibility, Diligence and Sacrifice:

B. The Core Values

- **Spirituality:** This is known as the most important core value in the University. All other core values ride, find expression and are rooted in spirituality in the University. Spirituality in CU is ensuring that the fear of God is engraved into the life of every individual in particularly the students.
- **Possibility Mentality:** Impossibility is not in the dictionary of CU. It is not expected of any individual to say, "I can't". CU teaches and encourages every individual to imbibe possibility mentality. In CU's words, it is the mental picture you have that defines your actual future.
- **Capacity Building:** This focuses on the physical nature of every individual, student and staff alike, to develop their God given skill, talents and gifts. It is believed that a lack of skill can render and turn dreams to daydreams. Capacity building in CU context is, possessing the ability to deliver in a given task even though you were not enabled to deliver. This is why CU is committed in providing enabling environment for both students and staff craving to develop themselves through pursuit of academic excellence to actualize their dreams.
- **Integrity:** In the quest to regain the dignity of humans in Nigeria and Africa at large, integrity was made a core value that every individual must imbibe. As it is usually said, integrity is doing the right thing when no one is watching.
- **Responsibility:** Covenant University teaches and encourages every individual to have a sense of responsibility. This means that everyone should respond to issues as demanded and not as convenient.
- **Diligence:** It is believed in CU that every greater leader is a hard worker and every hard worker is a potential great leader. Diligence in the CU context is going the extra mile to get work done. In CU people are working 24/7 as demanded, there is no closing time. It is expected of all students and staff to be hard workers as this is been celebrated.
- **Sacrifice:** It is believed that sacrifice is the greatest price to pay to be an outstanding leader. It is believed in CU that you cannot lead a course without giving it what it takes. A popular saying in CU is that "there is

no star without a scar". The scar is the price you pay to make a maximum impact.

C. Performance:

The Covenant University Core Values provides the platform for its processes to achieve the desired goal and change. It is in this vehicle that every individual in the University's community is expected to ride on to achieve both the University's and individual's visions and goals. It was observed that the core values embedded in the University has made it a unique institution, making the University move at a very fast pace competing favorably with other Universities in Nigeria and Africa at large. The University in the recently concluded Webometrics ranking, ranked number one in Nigeria, and West Africa.

D. Influence of organizational culture on employees and students

Members of the University; students and staff alike, have adopted the core values into their way of conducting activities in the University. It is observed that the University adopts a "no nonsense" approach to ensuring the organizational culture is fully followed by its members. Benching on the diligence core value, it is observed that the University provides all the necessary resources needed by its members to duly honour the core values, and in the situation where a member breaches any of the core values, the university shows the individual the way out. This has a positive effect on the productivity of its members, as staff and students alike know that there is a set standard of behaving and achieving goals, and once that minimum is not met, they know there is an "outing" penalty.

The ability of CU to be able to articulate, adopt and share its vision across all levels of individuals, students and staff alike, is the major approach for increasing and maintaining the pace at which it is currently moving in transforming the mindset of the University's total community. Evidence shows that the organizational culture of Covenant University has a positive effect on employee motivation, employee morale and 'goodwill', employee productivity and efficiency, the quality of work of employees, attitude of employees in the work place and, innovation and creativity in the organization. Even so, the students perform better with very minimum distraction, knowing that the University expects them to either adopt the community's core values of spirituality and diligence especially or face the risk of leaving the system.

IV. CONCLUSION

Following Schein's (1985) definition of organizational culture as a pattern of shared basic assumptions learned by organizational members as they solve problems of external adaptation and internal integration, which have provided to be valid, and as such taught to new members as the correct way to perceive, think and feel in relation to possible future problems. It is important to understand that in most instances, organizational culture is developed by the entrepreneur, and is in the early state of the organization pushed by the

entrepreneur. To this extent, the degree to which members of an organization are able to effectively imbibe the culture of an organization is triggered by the competency of the entrepreneur (entrepreneurial competency). In line with Schein's definition, the chancellor has enforced these core values on members of the Covenant University community, and no doubt, imbibing the values and beliefs have brought success to the University, as seen in the recent webometrics ranking where the University is ranked the no 1 university in Nigeria and West Africa in just 12 years of existence.

It is imperative for managers to know that for an organization's culture to be well implemented and result in success, there must be an alignment between organization's culture, its structure, goals and processes which occur as a result of internal or external pressures on the organization, as such dis-synchronization between the cultural and structural components of an organization is thought to be a harbinger of decay or revolutionary potential.

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