

UNIVERSITY OF GHANA
DEPARTMENT OF PSYCHOLOGY

**THE INFLUENCE OF ORGANISATIONAL CULTURE AND ORGANISATIONAL
CLIMATE ON ORGANISATIONAL EFFECTIVENESS IN GHANA**



**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN
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DECLARATION

I hereby declare that, the research entitled “The Influence of Organisational Culture and Organisational Climate on Organisational Effectiveness in Ghana” was conducted solely by me (George Nkonsah) and supervised by Dr. Maxwell Asumeng (Main Supervisor) and Professor Samuel Danquah (Co-supervisor) both at the Department of Psychology, University of Ghana, Legon. I also declare that, all authors used in the study have been duly cited and referenced.

I also declare that, to the best of my knowledge, this work has not been published anywhere or at the University of Ghana, Legon for the award of a degree.

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DEDICATION

I dedicate this thesis to my lovely wife, Alberta and my two soldiers, Kweku and Kwasi.



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ABSTRACT

The study investigated the influence of organisational culture and climate on organisational effectiveness using a sample of manufacturing organisations in Ghana. Using a correlational research design, data were collected from 274 participants of three manufacturing organisations using reliable research questionnaires. Standard multiple regression and hierarchical regression analyses were conducted on the data. The results showed that, organisational culture was significantly and positively related to organisational effectiveness, with innovative and community cultures accounting for significant amount of variance in organisational effectiveness than competitive and bureaucratic cultures. In addition, organisational climate significantly and positively related to organisational effectiveness. Results are discussed within the internal process and goal attainment theories of organisational effectiveness.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

An effective organisation is desirable to work in. Every organisation, regardless of the sector in which it is operating, strives to be more effective (Haid, Schroeder, Sims & Wang, 2010). Organisational effectiveness research has engaged the attention of scholars in the field of industrial and organisational psychology, organisational behaviour and management because an effective organisation is one with a highly satisfied, committed workforce and satisfied customers (Moyes, Shao & Newsome, 2008).

The creation of an effective organisation is a necessity in contemporary business practice globally, however, an organisation is effective to the extent that its culture and the prevailing climate allows or encourages it. This tallies the view expressed by researchers that organisational culture is a direct predictor of organisational effectiveness (Barney, 1986; cited in Mehr, Kenari, Emadi & Hoseini, 2012). Similarly, organisational culture has been found to relate positively to components of organisational effectiveness such as employee satisfaction, customer satisfaction, and employee commitment (Bhati & Qureshi, 2007; Durmaz, 2006; Moyes et al., 2008). Thus, organisational culture is a strong antecedent of positive workplace behaviours because the satisfaction of employees who constitute the most vital resource of organisations also influence strongly their level of commitment and their productivity in organisations.

The concentration by scholars have been on the nexus between organisational culture and effectiveness despite clear evidence that organisational climate can significantly predict organisational effectiveness (Patterson, 1997; West, 1999). The researcher considers climate an important antecedent in the present study because work settings that are characterised by high

level of distrust, lack of communication, ambiguity and lack of worker autonomy has the strong propensity to destroy effectiveness in organisations (Amabile, 1988; Mumford, 1988). Similarly, organisational climate has been found to provide an important mediating role between organisational characteristics and organisational work outcomes like attitudes, motivation and psychological well-being (Parker, 1999).

Against this backdrop, the present study seeks to investigate the link between organisational culture, climate and their dimensions on organisational effectiveness in the manufacturing sector of Ghana. Examining the dimensions of culture and climate on effectiveness would provide a clear picture with regards the varying impact of the dimensions on effectiveness.

1.2. Statement of Problem

Organisational effectiveness is a desirable thing which all organisations try to accomplish. This is because an effective organisation has a workforce with the right behaviour and attitudes which in turn translates to customer satisfaction and high level of organisational profit. An organisation that is characterized by low commitment, low level of employee morale, inefficiency, low profit, limited individual autonomy, high level of distrust, unclear goals, and lack of communication is one that tends to have low level of effectiveness (Amabile, 1988; Mumford, 1988) . However, a major driver of organisational effectiveness is organisational culture and climate. To ensure an increase in organisational effectiveness, there is the need ensure that the prevailing organisational culture and climate encourages high level of employee commitment, autonomy, responsibility and also ensure effective communication and high level of organisational trust. It is against this backdrop that the present study seeks to investigate the influence of organisational culture and climate on organisational effectiveness in the Ghanaian manufacturing sector.

1.3. Rationale for the Study

Effectiveness is an outcome every organisation irrespective of the sector of operation aspires to achieve. A conducive organisational climate necessitates the production of good behaviours among the membership of organisations. Despite the significant contribution of climate to an effective organisation, very little attention has been paid to these two variables by way of empirical research (Lawler, Hall & Oldham, 2004; Litwin & Stringer, 1998; Pritchard & Karasick, 1993). The few studies that have been conducted, however, requires confirmation from other different setting. Ghanaian-based empirical findings is particular important because it would not only strengthen existing literature but also will contribute literature from a collectivist environment to the already numerous individualistic research findings.

In addition, the present study would consider organisational culture as a whole as well as the various dimensions of culture on organisational effectiveness in this single study. This makes the present study largely unique as very few studies have sought to investigate culture from this angle (Lawler et al., 2004; Pritchard & Karasick, 1993). Finally, the researcher utilized a multidimensional scale to measure organisational effectiveness (Nile, 2002). Together, the various dimensions measure organisational effectiveness as a single measure. Although, organisational effectiveness was measured without testing each of the subcomponents of the variables as a dependent measure, measurement of organisational effectiveness was based on the multidimensional organisational effectiveness scale. This provided a broad scope in the measurement of the construct.

1.4. Objectives of the Study

The general objective of the study is to examine the influence of organisational culture and climate on organisational effectiveness in Ghana. In line with this broad focus, the study specifically sought to;

- Determine the relationship between organisational culture and organisational effectiveness
- Find out the relationship and amount of variance in organisational effectiveness accounted for by the various dimensions of culture
- Investigate the link between organisational climate and organisational effectiveness

1.5. Significance of the Study

The outcome of the present study would have theoretical and organisational relevance. Theoretically, it would add to existing literature by broadening the scope findings in the area of organisational culture, climate and effectiveness to include empirical evidence from the Ghanaian context. A number of organisational benefits can be reported. First, the environment of an organisation impact positively on behaviour, and behaviour whether positive or negative has significant implications on the effectiveness of organisations. Thus, the outcome would help organisations create the right climate capable of encouraging positive behaviours that would impact positively on the effectiveness of the organisation. In addition, organisations would be able to enforce relevant aspects of organisational climate in order to guarantee a constant organisational effectiveness. Similarly, the relevance of the various dimensions of organisational culture and their impact on organisational effectiveness would be manifested in the study. This would inform the kind of attention organisations would give to the various aspects of their culture in an attempt to maintain an effective organisation.

CHAPTER TWO

LITERATURE REVIEW

2.1. Theoretical Framework

This study is grounded in two important theories of organisational effectiveness, namely; the internal process and goal attainment theories. The theoretical relevance of these theories in the present research is presented.

2.1.1. Internal Process Theory

This theory stresses that an effective organisation is one with a strong internal environment. Both culture and climate are variables that affect the internal environment of organisations. Specifically, organisational culture informs the kind of behaviour employee's exhibit because it constitutes the values, norms and beliefs of the organisation. Similarly, the prevailing atmosphere in the workplace has the power to encourage positive behaviours. This makes the internal process theory relevant in accurately explaining the predictors of organisational effectiveness. Specifically, the theory posits that, a harmonious and efficient internal working environment is directly responsible for the attainment of superior organisational results (Steers, 1977). In the view of scholars, this theory reflects the conversion of organisation's inputs into appropriate outputs using the human and other resources in the organisation (Pfeffer, 1977; Steers, 1977). Thus, the nexus between internal processes and organisational outcome like an effective organisation is the underlying central position of this theory. This theory is relevant for the current study because a strong internal organisational environment is as a result of a strong and positive culture and climate. Thus, a strong and positive organisational culture is likely to increase employees level of satisfaction, commitment which in tend will lead to maximum productivity in the organisation. Similarly, the kind of internal climate created has the force to

encourage the exhibition of positive behaviours which contributes significantly to the attainment of organisational goals and objectives. Thus, the effectiveness of an organisation is influenced largely by the kind of culture and climate created and the extent to which the culture and climate encourage behaviours that lead to the attainment of organisational goals.

2.1.2. Goal Attainment Approach

The view that organisational effectiveness relates to the accomplishment of organisational goals is the central position espoused by the goal attainment theory of organisational effectiveness (Price, 1972; Scott, 1977). Every organisation exists for a purpose and organisations that accomplish its mission are said to be effective organisations. This is consistent with the position taken by researchers that, this theory measures the effectiveness of an organisation in terms of goal accomplishment or realization (Pratt & Eitzen, 1989). Given that, goal accomplishment is typical of every organisation irrespective of its sector of operation, the goal attainment theory of organisational effectiveness has been acknowledged as the most logical theory to study organisational effectiveness (Chelladurai & Haggerty, 1991).

Though relevant in organisational effectiveness studies, this theory is not without some limitations. According to scholars, organisations have several goals some of which may conflict, and that organisational goal especially short-time operative goals may shift over time (Weese, 1997; Pratt & Eitzen, 1989). Additionally, when organisational goals are unclear, unstable and conflicting, it becomes difficult to assess organisational effectiveness using the goal criteria (Chelladurai & Haggerty, 1991). Despite these limitations, the goal attainment theory still remains useful as a measure of organisational effectiveness. With respect to the present study, the goal attainment theory is very relevant because the effectiveness of the manufacturing

organisations like Nestle, Ghacem, and Promasidor etc. is determined by the quality of their products, services delivered and availability of their products in the market. In addition, Ghanaian attach significant importance to the manufacturing sector and organisations in that sector are required to ensure that products that process or manufactured are of high quality and easily available.

2.2. Organisational Culture

Every organisation is governed by a culture and this culture is the main driver of productivity and progress. Within organisational behaviour literature, the construct organisational culture has been variously defined. Some scholars have defined culture from the point of view of its connection with behaviour in organisations. For instance, researchers have expressed the view that, within any human society and most importantly organisations, members engage in rituals, pass along corporate myths and stories, use jargons, though informal practice they have the capacity to facilitate or hinder management's goal for the organisation (Baker, 1980; Deal & Kennedy, 1982; Peters & Waterman, 1982). There is no universally acceptable definition of organisational culture despite the extensive research carried out on the construct. Thus, several definitions for the construct have been provided by different authors based on their theoretical position on the variable (Alvesson, 2002; Adler & Jelinek, 1996; Argris, 1996; Carroll & Nafukho, 2006; Cook & Yanow, 1993; Popper & Lipshitz, 1995; Shien, 1990).

For instance, Bateman and Snell (1999) intimated that, organisational culture ensured that people's behaviour in the organisation was purposeful and goal-directed. Thus, culture shapes the behaviour of the workforce. Culture has also been characterised as an important feature of excellent organisations (Amah, 2006; Peters & Waterman, 1982). Organisational culture has also

been referred to as the genetic blueprint of an organisation which has the capacity influence all aspects of the organisation (Davenport, 1998).

According to Schein (1985), organisational culture represents the basic assumptions invented, discovered or developed by a group of people to adjust to problems of external adaptation and integration and therefore good enough to influence the way people in the organisation think and feel about problems in the organisation. This definition is consistent with Deal and Kennedy (2000) who defined organisational culture simply as the way things are done in the organisation. In the view of Nickels et al (2010), organisation involves values which are representative of the organisation and provide an important source cooperation, harmony and coordination of efforts with the purpose to achieve organisational goals. Thus, culture binds people together in organisations.

Marguardt (2002) offered the definition of culture as the values, beliefs, practices, rituals and customs specific to an organisation.

Schein (1990) states that organisational culture consists of two layers of concepts, namely, visible and invisible characteristics. The visible layer means external building, clothing, behaviour modes, regulations, stories, myths, language, and rites. On the other hand, the invisible layer means common values, norms, faith, and assumptions of business organisational members. In the current management literature on organisational culture (for example, Deal and Kennedy, 1982; Peters & Waterman, 1982) which includes the work of Schein (1990), culture is widely understood as an instrument to be used by management to shape and control in some way the belief, understandings, and behaviours of individuals, and thus the organisation to reach specified goals. Therefore, a number of definitions for any organisational culture have been

proposed (for example, Kilman et al, 1985; Uttal, 1983). Many studies have been conducted about the impact of organisational culture on different variables in the organisational setting. For instance, the relationship between organisational culture and several important employee and organisational outcomes such as job satisfaction (Lund, 2003), individual learning (Aksu&Ozdemir, 2005), organisational effectiveness (Denison, 1990; Denison & Mishra, 1995), leadership (Kasper, 2002; Chang & Lee, 2007; Schein, 1992), organisational problem-solving (Bate, 1984), creativity (Koberg& Chusmir, 1987) organisational commitment (Lock & Crawford, 1999), organisational performance (Wilkins and Ouchi, 1983), TQM (Pool, 2000) communication and information (Brown & Starkey, 1994).

2.2.1. Subcultures in Organisations

According organisational culture scholars, organisations are characterized by four different subcultures (Hellriegel, Slocum & Woodman, 2001:523; Ogbonna & Harris, 2000).

The present research subscribed to the subculture dimensions developed and used by Ogbonna and Harris (2000) in their study. These culture dimensions namely; innovative culture, competitive culture, bureaucratic culture and community culture are similar to the dimensions reported by Hellriegel et al. (2001:523) which are bureaucratic culture; clan culture; entrepreneurial culture; and market culture. Specifically, innovative culture, competitive culture, bureaucratic culture and community culture by Ogbonna and Harris (2000) relates to entrepreneurial culture, market culture, bureaucratic culture and clan culture respectively as reported by Hellriegel et al (2001). The four culture dimensions are discussed below.

Bureaucratic culture

An organisation that values formality, rules, standard operating procedures, and hierarchical co-ordination has a bureaucratic culture. Long-term concerns of bureaucracy are predictability, efficiency, and stability. Its members highly value standardized goods and customer service. Behavioral norms support formality over informality. Managers view their roles as being good co-coordinators, organizers, and enforcers of certain rules and standards. Tasks, responsibilities, and authority for all employees are clearly defined. The organisation's many rules and processes are spelled out in thick manuals and employees believe that their duty is to go by the book and follow legalistic processes. According to Weber (1946), a bureaucratic culture ensures that there is a fixed division of labour, a hierarchy of positions and authority, administration based on written documents and adherence to general rules and full-time commitment to official activities. This type of culture is rigid and therefore restricts the creative potential of employees in organisation.

Clan culture

Clan culture also called community culture is characterized by tradition, loyalty, personal commitment, extensive socialization, teamwork, self-management, and social influences which reflects the way of doing things in the organisation. The organisational membership sees their obligation beyond the concept of exchange such as labour for salary which often reflects employer-employee relationship in organisations. Specifically, members of the organisation understand that their contributions to the organisation may exceed any contractual engagement or agreement between them and the employer. Thus, the employee's long term commitment to the organisation is exchanged for the organisation's long term-commitment to the individual. Also,

the individuals in such an organisation believe that the organisation will treat them fairly in terms of salary increases, promotions, and other forms of recognition. They therefore, hold themselves accountable to the organisation for their actions. This implies that, members of the organisation view the organisation as their own because of the sense of belongingness and oneness characterizing the core principles of the organisation. This type of culture creates fertile ground for the performance of organisational citizenship behaviours (Organ, 1988). According to Organ (1988) employees tend to engage in OCB when they find the work environment conducive.

Entrepreneurial culture/Innovative Culture

Organisations characterized by this type of culture favour or encourage high level of risk taking, dynamism, and creativity from the workforce. The organisation commits to experimentation, innovation and leading edge attitude as the attributes of members in the organisation. In the view of Hellriegel et al. (2001) with an entrepreneurial culture, organisations do not easily react to changes in the environment it creates. Individual initiative, flexibility and freedom which is the hallmark of this culture is encouraged and rewarded in the organisation.

Market culture/Competitive Culture

This type of culture is characterized by the achievements of measurable and demanding goals, especially those that are financial and market-based. Additionally, hard driving competitiveness and a profit orientation prevail throughout organisations where this type of culture is being practiced. Like community/clan culture, market culture also involves a contractual relationship between individual employees and the organisation. Specifically, a rewarding relationship exists between the individual and the organisation to the extent that the individual is responsible for

some levels of reward in the engagement. According to Hellriegel (2000), market culture does not exert much informal, social pressure on an Organisation's members. They do not share a common set of expectations regarding management style or philosophy. The absence of a long-term commitment by both parties results in a weak socializing process.

These four subcultures have different impact on organisations and employee behaviour and largely reflect management philosophies or styles.

2.3. Organisational Climate

The prevailing atmosphere in organisation can either reinforce positive or negative behaviours. The concept of organisational climate can be traced to a group of social scientist (Lewin et al., 1939). In fact, the concept was popularised these social scientists in the late 1930s. Originally, they used social climate to explain the subjective feelings they encountered in their study of organisations. Since then the construct, organisational climate has become popular among scholars in the field of psychology and organisational behaviour. Organisational climate research has witnessed an increased level of attention since it appeared in research arena in the late 1940s (Baltes, 2002).

Generally, classified as a perceptual variable, organisational climate has been viewed from three angles, that is, at the individual, group and organisational level (Patterson, West, Shackleton, Lawthom, Maitlis, Robinson, Dawson, & Wallace, 2005). Psychological climate is the term used for the individual perceptions of the work environment while perception by groups or organisational membership is termed group or organisational climate (Patterson et al., 2005). Though organisational climate can be measured from any of these three perspectives, the present study concentrated on the organisational level of measurement. This position taken by the

researcher is consistent with theory and research in organisations (Schneider, Smith & Goldstein, 2000).

The concept is broadly defined as the extent to which membership of the organisation experience the organisation and attaches shared meanings to their perceptions of the work setting (Schneider et al., 2000). Individuals do not just perceive anything in the organisation but focus specifically on three cardinal things, namely processes, practices and behaviours rewarded and supported in the organisation (Schneider, 1990).The perception of the organisational environment is subjective because it is cognitively motivated and subject to the well-being of the individual (James,James, & Ashe, 1990).

Organisational climate has been defined differently by scholars. Despite the availability of variety of definitions of the construct of organisational climate, the central theme is that it is a subjective reflection of organisational members about the organisation. One of the earliest and most accepted definitions of the concept of organisational climate was offered by Forehand and Gilmer (1964). According to Forehand and Gilmer (1964) the set of characteristics that describes, differentiates one organisation from another and is enduring over time and also influence significantly the behaviour of people in the work environment reflects organisational climate.Consistent with the above definition, Pritchard and Karasick (1973) put forward that organisational climate is a relatively enduring quality of an organisation's internal environment, that is clearly different from other organisations, but results from the behaviour and policies of members of the organisation, especially top management, which is perceived by the members, serves as a basis for interpreting situations and acts as a source of pressure for directing activity.

It has been defined as the accomplishment of goals at the organisational level (Cameron & Whetten, 1983; Quinn & Rohrbaugh, 1983). Thibodeaus and Favilla (1995) intimated that, organisational climate measures the extent to which organisations fulfil their main objectives. Other researchers viewed organisational climate from the angle of shared norms, values, beliefs, practices and procedures which are general or specific to the organisational membership (Guldenmund, 2000).

In the view of Gregopoulos (cited in Campbell et al., 1970) organisational climate reflects the normative structure of attitudes and behavioural standards which provides the basis for interpreting the situation and act as a source of pressure for directing activity. Litwin and Stringer (1968) viewed climate from the perspective of motivational theories with the purpose to clearly describe the effects of organisations and organisational life on the motivation of individuals and ultimately their behaviour. Based on this stance, they defined organisational climate as a set of measurable properties of the work environment that is perceived directly or indirectly by people who influence their motivation and behaviour. Against this backdrop, a positive organisational climate is perceived to be a strong motivator and hence the demonstration of positive behaviours by organisational members.

Building on the definition proposed by Litwin and Stringer (1968), Tagiuri and Litwin (1968, p. 8) also emphasized the motivational aspect of work environment and accordingly defined organisational climate as the cognitive interpretation of the organisation by members and the effect of the interpretation on their attitudes and motivation. They broadly captured the concept of organisational climate as “Organisational climate is a relatively enduring quality of the internal environment of an organisation that (a) is experienced by its members, (b) influences

their behaviour, and (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the organisation.” (p. 8).

It has also been opined that organisational climate is the dynamic phenomenon or force that may release, channel, facilitate or constrain the organisation’s technical or human resources (Friedlander & Margulies, 1969). This dynamic force which affects the sense of involvement of employees in organisations is social and interpersonal in nature.

In an attempt to provide a better understanding of the concept of organisational climate, scholars suggested that consideration should be given to certain properties of organisational climate (Campbell et al., 1970). According to them, organisational climate has to do with a set of organisational characteristics unique to the organisation and is as a result of the way the organisation treats its members and the work environment. They intimated that, organisational climate describes the organisation in terms of static and behaviour-outcome relationships.

Other scholars viewed the construct from both organisational and individual perceptual perspective. They posited that organisational climate involves individual perception of their organisational environment, and this perception is motivated by assembling inputs from objective events in and attributes of the organisation as well as characteristics of the individual (Schneider & Hall, 1972).

According to Hellriegel and Slocum’s (1974), organisational climate deals with a set of attributes that is perceived about a particular organisation and/or its subsystems, and that may be induced from the way in which the organisation and/or its subsystems deals with its members and environment. Based on this definition, the following themes evolved:

- Perceptual responses are primarily descriptive rather than evaluative.

- Items, scales and constructs relate to the macro as opposed to the micro level.
- Units of analysis refer to the organisation and/or subsystem and not the individual.
- Perceptions have potential behavioural consequences like effect on work outcomes like job satisfaction, commitment and intention to leave.

Following from the above, Schneider and Snyder (1975) conceptualized organisational climate as the summary or global perception that people have about an organisation. These perceptions in their opinion come in different ways depending on the individuals' specific situation and the information available to them. Against this backdrop, what is important to the individual is what drives his/her perception of the organisation and hence his/her behaviour in the organisation (Schneider, 1975).

Organisational climate has been defined simply as an organisational phenomenon, unique to the organisation and goes beyond just the collection of individuals' perception of events in the organisation (Ash, 1983).

Moran and Volkwein (1992, p. 20) provided a comprehensive definition of organisational climate based on inspiration from previous definitions put forward by Forehard and Gilmer (1964) and Pritchard and Karasick (1973). Organisational climate in their view is the relatively enduring characteristic of an organisation which distinguishes it from other organisations: and (a) embodies members collective perceptions about their organisations with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness; (b) is produced by member interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms, values and attitudes of the organisation's culture; and (e) acts as a source of influence for shaping behaviour.

West, Smith, Lu Feng and Lawthom (1998) defined organisational climate as the shared perceptions of the fundamental elements of individuals' particular organisation. In this sense, climate perception is about all the members of organisation and not just an individual.

It has also been submitted that, organisational climate is about the collective perceptions of organisational members and how the organisation deals with its members and the environment (Wallace, Hunt & Richards (1999). The description of organisational variables such as size, structure, policies and leadership styles has been labeled organisational climate (Boeyens & Hutchinson as cited in Sempene, Rieger & Roodt, 2002). It has also been postulated as the representative and collective perceptions and/or feelings organisational members have about their organisation (Coetsee as cited in Gerber, 2003). The author also stressed that, climate reflects the subjective attitudes and perceptions whether accurate or not which organisational members have about the organisation (cited in Gerber, 2003).

Gerber (2003) tagged the construct as the surface manifestation of organisational culture that consists of the conscious behaviour, such as the feelings or perceptions and attitudes, that is shared by individuals in an organisation at a particular time regarding the fundamental elements of the organisation and that can positively or negatively influence the behaviour of organisational members in terms of organisational effectiveness. McMurray (2003) took a descriptive stance and defined organisational climate as a descriptive construct that mirrors consensual agreement among members of organisations regarding the key elements in terms of systems, practices, policies and leadership style in the organisation.

According to Garg and Rastogi (2006), organisational climate is the feelings organisational members have about the organisation as a result of the physical layout of the organisation, the

way in which participants interact with one another and how they conduct themselves with other organisational members or outsiders. Haakonsson, Burton, Obel and Lauridsen (2008) indicated that organisational climate refers to affective events that influence employees' emotions and consequent information-processing behaviours.

Further, Litwin and Stringer (1968) defined the construct organisational climate as the sum of individual perceptions about the working environment. Similarly, Reicher and Schneider (1990) intimated that "climate is the shared perceptions of the way things are around here" (p.22). Momeni (2009) posited that organisational climate is about employee's perceptions and attitudes toward their organisation at any point in time. Organisational climate basically is a reflection of the organisation's culture. Sowpow (2006) called organisational climate the here and now of an organisation. Thus, climate affects and is shaped by organisational culture (Hunt & Ivergard, 2007).

Organisational climate has also been associated with the policies, procedures and practices of an organisation which the organisational membership generally perceives (Schneider, 1990). Similarly, Schneider and Bowen (1995) viewed organisational climate as a subjective construct which deals with the collective experiences and awareness about the policies and procedures of the organisation. The researcher subscribes to the position taken by Schneider (1990) in that, the general atmosphere in the organisation in terms of culture of interaction/relationship, co-worker support and feelings of together are all informed by the policies, procedures and practices developed and encouraged by the leadership of the organisation. In this regard, organisational climate is defined as the perceptions of organisational members of the organisation's support for the prevailing organisational atmosphere with regards employee's work, attitude, work procedures and behaviours.

Organisational climate has become an important antecedent of organisational effectiveness because of its capacity to significantly predict job satisfaction and performance, employee motivation and organisational commitment (Patterson, 1997; West, 1999). Organisational climate plays an important mediating role between organisational characteristics and work-related outcomes like employee attitudes, motivation and psychological well-being (Parker, 1999).

The environment characterizing organisations can be viewed from an overall global sense and also from a more specific and targeted angle. Scholars who come from the global angle indicated that climate in different work contexts can be summed up to include (a) role of stress and lack of harmony, (b) job challenge and autonomy, (c) leadership facilitation and support, and (d) work-group cooperation, friendliness, and warmth (James & James, 1989; James & McIntyre, 1996; James & Sells, 1981). Organisations are multifaceted by nature and thus perceptions of organisational environment can be based on a wide variety of more specific targets. In view of this, Schneider (1975) indicated that the dimensions of organisational climate will differ depending on the focus of the investigation and the criterion of interest. Schneider (1975) stressed that; general measure of organisational climate may include irrelevant dimensions. Thus, the use of measures that contain several dimensions of climate which includes service and innovation was required (Bunce & West, 1995; Schneider, 1990; West, 1990).

Decision regarding the use of either of these measures of climate was entirely determined by the interest of the researcher and the interest of the study. The present study utilized the global measure. However, the scale which was highly reliable and developed through factor analysis contained items measuring dimensions of organisational climate. According to researchers, the

global approach provided an overall snapshot of organisational functioning (Ashkanasy, Wilderom, & Peterson, 2000).

2.4. Organisational Effectiveness

Organisational effectiveness has engaged the attention of researchers since the early development of organisational theory and therefore many studies have been conducted to determine variables that predict it (Rojas, 2000). Despite some consensus among some scholars on the construct, there is still significant lack of agreement on the definition and operationalization of this concept (Cameron, 1986). In the view of researchers, organisational effectiveness reflects a construct in which the focus is on the definition in terms of assessment and conceptualization (Goodman, Pennings & Associates, 1977). Against this backdrop, several definitions of the construct have been provided by researchers in the field. According to Daft (2003), organisational effectiveness is a difficult construct to measure. This difficulty lies in the fact that, it involves myriad of variables varying from organisational to departmental level variables. In terms of measurement, there are two basic approaches to the measurement of organisational effectiveness, namely; the traditional which includes the goal approach, system resource approach and the internal process and contemporary approaches (Daft, 2003).

Various models and theoretical approaches have been developed to assess organisational effectiveness. Herman and Renz (1997) indicated that there are as many effectiveness models as there are models of organisations. Different models with their relating criteria reflect different values and preferences of schools of thought concerning effectiveness (Walton & Dawson, 2001). The best known models are the goal models (Etzioni, 1960; Price, 1972; Scott, 1977), the system resource model (Yuchtman & Seashore, 1967), the internal process approach (Pfeffer,

1977; Steers, 1977), the multiple constituency models (Connolly, Conlon & Deutsch, 1980; Tsui, 1990; Zammuto, 1984) and the CVA (Quinn & Rohrbaugh, 1981, 1983).

2.5. Review of Related Studies

This section provides a review of relevant studies on the variables being examined in the study. Specifically, the review would border on the link between organisational culture and organisational effectiveness; the relationship between organisational climate and organisational effectiveness dimensions of organisational culture and organisational effectiveness; and organisational climate as a moderator on the relationship between organisational culture and organisational effectiveness.

2.5.1. Relationship between Organisational Culture and Organisational Effectiveness

Researchers have generally agreed that, organisational culture is a significant predictor of organisational effectiveness. The large categories of research in this area were reported in the western cultures. Empirical study involving 759 firms revealed that organisational cultures that stress higher risk tolerance tends to encourage radical innovations (Tellis, Prabhu & Chandy, 2009). This culture which facilitates risk taking, willingness to experiment, initiative taking and fast moving character tends to promote adaptability and learning (Baer & Frese, 2003; Caldwell & O'Reilly, 2003). This study which was quantitative in nature utilized culture scale which is different from that being used in the present study (Ogbonna & Harris, 2000). Again, though their study looked at culture from a dimensional angle, the labels of culture (i.e. community, innovative, competitive and bureaucratic) are quite different from that used by them.

The nexus between organisational culture and organisational effectiveness has also been found in the school setting. A correlational research design was employed to study the relationship between organisational culture and the effectiveness of principals of secondary schools in the Lorestan State in the Islamic Republic of Iran. The study involved a random sample of 800 teachers from a population of 4403 teachers and 300 principals from a total of 512 principals in the province of Lorestan secondary schools. Questionnaire was used to collect data from the participants. The researchers utilized Pearson correlation and Regression analysis (Enter and stepwise) to test the hypotheses in the study. It was observed that, a significant positive correlation exist between organisational culture and principal effectiveness ($r=.85$, $p=0.05$). Using the stepwise regression method, it was also observed that, components of organisational culture such as transparency, communication, supportive and reward system predicted about .85 of the total variance of principal effectiveness in Lorestan State (Mehralizadeh & Atyabi, 2006).

Researchers have broadened the base of organisational effectiveness research to compare effectiveness between public and private sector organisations. Parhizgari (2008) carried out a study in which a comprehensive measure of organisational effectiveness was utilized to assess differences in performance between public and private sector organisations. Nine measures of organisational effectiveness were empirically derived and validated for the study was used. A total of 11,352 participants were selected from 28 private sector organisations and 41 public sector organisations. Test result after statistical analysis showed that, private sector organisations significantly and more effective than public sector organisations on all the measures of organisational effectiveness. However, Schneider, Gunnarson and Niles (2007) provided empirical evidence which showed that, there was no significant difference in organisational effectiveness between private and public sector organisations in the UK.

Scheider et al. (2007) sought to determine the effect of organisational culture on organisational effectiveness between public and private sector organisations in the United Kingdom. The study involved 1143 participants from the two sectors (public and private). The researcher's operationalized culture as constructive or destructive in which they indicated that constructive cultures were related to organisational effectiveness and destructive cultures were not related to organisational effectiveness. The result showed no significant difference in organisational culture between private and public sector organisations. In addition, there was no significant difference in organisational effectiveness between private and public sector organisations. These contradictory findings on organisational effectiveness between private and public sector organisations only strengthened the point that the need for further studies is a clarion call. It is also clear from the findings that the study was based on western culture and the need to conduct such a study in the collectivist culture was necessary. The present study is different from what has been reported because it is based on only the private sector and limited only manufacturing organisations.

Chien (2008) investigated factors that affect organisational effectiveness. The study was to explore the important issues of the factors that affect organisational effectiveness. The research method adopted was the case study of the qualitative research and the data was collected by in-depth interviews. In the process of the research, the author interviewed with 30 employees, including ten managers and twenty private and public workers. According to the analysis of the research data, there were seven factors effecting organisational effectiveness: (1) personal characteristics, (2) leadership styles, organisational culture, (4) working environment, (5) model

of organisational operation, (6) flexibility, (7) organisational commitment. All these factors were found to favour private organisations compared to public organisations.

Wallace (2007) assessed the relationship between organisational culture, organisational climate and managerial values as predictive factors of organisational effectiveness. The paper begins with a comprehensive review of the management literature on culture, and demonstrates close parallels with research and writings on organisational climate and values. The paper then reports the findings from an empirical investigation into the relationship between the organisational culture, climate, and managerial values of a large Australian public sector agency. The relative strengths of four dimensions of culture in this organisation were measured using Hofstede's (1980) instrument. Added to this were items from a questionnaire developed by Ryder and Southey, derived from the Jones and James instrument measuring psychological climate and providing scores across six specific dimensions of organisational climate. Measures of managerial values, drawn from a questionnaire by Flowers and Hughes, were also incorporated. Results show that levels of culture within this particular organisation are at variance with those reported by Hofstede from his Australian data. Findings indicated a strong link between specific organisational climate items and a number of managerial values dimensions. Additional relationships between particular dimensions of culture, climate and managerial values were also found to promote organisational effectiveness.

Comparison of public and private sector managerial effectiveness in China: A three-parameter approach was conducted by Chanzi (2009). The study sought to explore the similarities and differences in terms of managerial effectiveness between public- and private-sector organisations from the dimensions of motivation, constraints and opportunities. The research was undertaken

in the form of case studies targeting senior managers in four multinational corporations' (MNCs') Chinese subsidiaries. Data were collected through survey and semi-structured interviews. The analysis of the public sector was referred to previous research conducted by Analoui. Findings indicated that there were a number of common themes applicable to both sectors. The level of effectiveness between public and private sectors was also not significant. This study should have considered using Chinese public sector to complete a comparative analysis since private and public sector organisations from two different countries cannot serve as a good comparison group. Additionally, this research was conducted at one point in time, making it difficult to draw robust conclusions when the selected MNCs are in the developing or transitional phase of their company policies and practices.

Organisational culture has also been found to affect economic performance (i.e. financial performance) firms. In an over three year's longitudinal study involving five French companies, Calori and Sarnin (1991) examined the relationship between corporate culture and economic performance. They observed that cultural profile of the firms was associated with the company's growth. Specific cultural values like personal fulfillment, listening to others, team spirit, responsibility, trust, quality, and consistency were found to be positively and significantly related with the firm's relative growth performance. However, they reported a negative relationship between duty, experience, authority and performance of the firms. This longitudinal study has confirmed that, not all aspects of organisational culture impacts significantly on performance or effectiveness in the organisations.

Clearly, the outcome of the longitudinal study has shown that organisations that emphasize togetherness, teamwork, quality, high level of trust and the culture of listening to others reaps

significant benefits from the workforce compared to organisations where these values are encouraged. Other evidence gathered in their study revealed that very few values and management practices were significantly associated with profitability. It was indicated that the firm's relative performance on return on investment and return on sales, both seemed to be related to five values like openness to the environment, participation in local activities, societal contribution, solidarity and flexibility.

Calori and Sarnin (1991) intimated that strong cultures were strongly associated with high growth performance of firms. In addition, they submitted that the intensity of company's culture was positively correlated with its relative growth and that culture seems to influence growth of firms more than profitability. Their findings are consistent with earlier research finding which revealed that, strong cultures and particularly those with widely accepted beliefs within the organisation, performed better than those with lack of shared values (Peter & Waterman, 1982). However, other researchers have indicated that strong could lead to stagnation and reduced ability to adapt to changes in the environment (Cloke & Goldsmith, 2002).

2.5.2. Relationship between Dimensions of Organisational Culture and Organisational Effectiveness

The effectiveness of an organisation somehow can be traced to its culture. Despite this, it is reasonable to conjecture that, each of the dimensions of organisational culture would have different impact on organisational effectiveness (Ogbonna & Harris, 2000). The connection between organisational culture and organisational effectiveness has also be demonstrated empirically from manufacturing organisations. Khazanchi, Lewis and Boyer (2007) in a study involving 271 manufacturing plants revealed that aspects of organisational culture especially

those that emphasize greater value congruence among members, respect for flexibility and control were significantly associated with the successful implementation of technology. They intimated flexibility and control encourage organisational empowerment and creativity respectively.

Denison (1984) found, in his study of organisational culture, that companies with a participative culture reaped a return on investment, which averaged nearly twice that of firms with less efficient cultures. His conclusion was that cultural and behavioral aspects of organisations were intimately linked to both short-term performance and long-term survival (Petty et al., 1995:483). Petty et al. (1995:485) conducted a study amongst 3977 employees across a United States company to assess whether there was a relationship between organisational culture and organisational performance. The results of this study indicated that organisational performance was linked to organisational culture. The authors affirm that there was a strong link evident in the correlation between teamwork and performance. This correlation indicated that teamwork, being the major aspect of culture, was significantly related to performance. The authors also contend that such behaviors as helping others, sharing of information and resources, and working as a team seemed to enhance performance in the organisation studied. Brightman and Sayeed (1990:226) found, in a study done by Gordon (1995) of an electric utility company, that cultures affect organisational performance.

The study revealed four factors that differentiated financially successful companies from less successful companies. These four factors were: successful companies had greater horizontal coordination; they possessed more affective internal communications; they encouraged their

employees to air conflicts and criticisms openly; and they showed greater concern for developing people.

Researchers among themselves have different opinions of performance. Performance, in fact, continues to be a contentious issue among organisational researchers (Barney, 1997). For example, according to Barney (1997), performance is equivalent to the famous 3Es (economy, efficiency, and effectiveness) of a certain program or activity. However, according to Daft (2000), organisational performance is the organisation's ability to attain its goals by using resources in an efficient and effective manner. Quite similar to Daft (2000), Richardo (2001) defined organisational performance as the ability of the organisation to achieve its goals and objectives.

Organisational performance has suffered from not only a definition problem, but also from a conceptual problem. Hefferman and Flood (2000) stated that as a concept in modern management, organisational performance suffered from problems of conceptual clarity in a number of areas. The first was the area of definition while the second was that of measurement.

The term performance was sometimes confused with productivity. According to Ricardo (2001), there was a difference between performance and productivity. Productivity was a ratio depicting the volume of work completed in a given amount of time. Performance was a broader indicator that could include productivity as well as quality, consistency and other factors. In result oriented evaluation, productivity measures were typically considered.

Ricardo (2001) argued that performance measures could include result-oriented behavior (criterion-based) and relative (normative) measures, education and training, concepts and

instruments, including management development and leadership training, which were the necessary building skills and attitudes of performance management. Hence, from the above literature review, the term “performance” should be broader based which include effectiveness, efficiency, economy, quality, consistency behavior and normative measures (Ricardo, 2001).

The next issue that was always asked about organisational performance was what factors determine organisational performance. According to Hansen and Wernerfelt (1989) in the business policy literature, there were two major streams of research on the determinants of organisational performance. One was based on economic tradition, emphasizing the importance of external market factors in determining organisational performance. The other line of research was built on the behavioral and sociological paradigm and saw organisational factors and their fit with the environment as the major determinant of success.

The economic model of organisational performance provided a range of major determinants of organisational profit which included: Characteristics of the industry in which the organisation competed, the organisation’s position relative to its competitors, and the quality of the firm’s resources.

Organisational model of firm performance focused on organisational factors such as human resources policies, organisational culture, and organisational climate and leadership styles. Another study by Chien (2004) found that there were five major factors determining organisational performance, namely: Leadership styles and environment, Organisational culture, Job design, Model of motive, and Human resource policies.

Organisational culture and competitive intensity in addition to organisational innovativeness are used in the current study. The economic factors and organisational factors model was supported by many researches including Hansen and Wernerfelt (1989) who found in their study that economic factors represented only 18.5 % of variance in business returns, while organisational factors contributed 38 % of organisational performance variance. This research focused more on organisational factors that determine organisation's performance. Organisational factors were found to determine performance to a greater extent than economic factors indicated by Trovik and McGivern (1997).

Firms 'performance is widely measured through the financial success of the organisation. Financial stress for most profit-oriented firms can be assessed both in terms of —top-line (e.g., sales) as well as bottom-line (e.g., profitability) measures (Davis et al., 2000). The profitability of an organisation is an important financial indicator to reflect the efficiency of the organisation and the owners/managers ability to increase sales while keeping the variable costs down (Davis et al., 2000). Profit margin, return on assets, return on equity, return on investment, and return on sales are considered to be the common measures of financial profitability (Robinson, 1982).

Furthermore, according to the study conducted on the Malaysian SMEs, sales, sales growth, net profit, and growth profit are among the financial measures preferred by the SMEs in Malaysia (Abu Kasim et al., 1989). Sales growth is measured based on the average annual sales growth rate for three consecutive years from (2006-2008) (Hashim, 2000). On the other hand, profitability is analyzed by three financial ratios, which are return on sales (ROS), return on investment (ROI) and return on asset (ROA)- incurred during the last three years from 2006 to 2008.

The three consecutive years 'financial ratios (ROS, ROI and ROA) are averaged out and incorporated into a Business Performance Composite Index (BPCI) similar to the measurement used in the study by Hashim (2000). The BPCI is a common index used by researchers to measure profitability since it provides the complete measurement of firm's profitability (i.e., combination of ROS, ROA and ROI). Hence, the use of BPCI could be the best measurement of profitability. Furthermore, the inclusion of the three financial ratios as components of BPCI provides a comprehensive and fair view of the firm's financial performance as compared to using only one measurement alone such as ROS or ROA or ROI. ROS is derived by dividing net income of the fiscal year with total sales. ROA is derived by dividing net income of the fiscal year with debt and equity. ROA is derived by dividing net income of the fiscal year with total assets.

2.5.3. Relationship between Organisational Climate and Organisational Effectiveness

According to Schneider and Bowen (1985) when the general spirit and feelings of organisations make employee's feel that there is a reward for the accomplishment of individual and organisational goals, then, psychologically that become the climate perceived by the employees in the organisation. It is this climate which would govern the behaviour of all the members of the organisation. It has been acknowledged by scholar's that, the organisational climate of an organisation is not felt by only employees but also customers of the organisation through such things as inter-activities with frontline employees (Schneider, 1980, 1990) and this awareness of the prevailing organisational climate by customers affects their opinions and level of satisfaction with the services of the organisation (Bitner et al., 1990; Kao, 2008' Parasuraman, 1987).Against this backdrop, the researcher takes the position that the perception of organisational climate by

employees would strongly affect the relationship between organisational culture and organisational effectiveness.

Schneider et al. (2005) posited that, managerial efforts combined with the internal work environment related to the services of the organisation will inform the exhibition of customer-service related behaviours by employees. This means that, to be effective, an organisation must create and maintain organisational climate that suits the services it provides. It is only by doing this that the organisation can accomplish the task of service excellence (Schneider & Bowen, 1992).

An organisation with high organisational climate have employees with a caring attitude and a high sense of appreciation for the provision of quality service and also have high appreciation for customer satisfaction and their implications for organisational success. This means that, a good climate generates automatically a reciprocal relationship between the organisation, employees and customers. This is because as the organisation demonstrates support for the prevailing climate, it means that employees will continue to demonstrate positive behaviours as the by-product of the climate and these in turn will impact positively on customers of the organisation. In effect, the customers will continue to patronize the services of the organisation because of the climate (Katz & Kahn, 1978).

Hsu et al. (2010) pointed out in an empirical study, that the OC of an international airline company had positive effects on the service-oriented OCBs of the flight service crews. Dimitriades (2007) also found in his empirical study: organisational climate sensed by frontline contact employees of the service industries has positive effect on customer-oriented OCBs.

Work experiences under the socialized structure and the social cues conveyed by the socio-interpersonal environment also have certain influence on employees' definition of work role and OCBs (Morrison, 1994). Organisational climate also represents organisational values sensed by employees (Schneider, 1990) and the messages are sent from the environment of the organisation to the perception of each individual member. These messages convey the organisations' expectations for employees' behaviours and imply the possible consequences linked to these behaviours. Therefore, employees of an organisation develop self-expected work behaviours based on this information. Schneider, Ehrhart, Mayer, Saltz, and Niles-Jolly (2005) support the above theory. They believe that employees detect how much the organisation values services based on organisational strategies and relevant information they received, and when employees identify to the value of "service first", they are more likely to perform service-oriented OCBs. Other researchers have also verified that a safety climate in an organisation balances the relationship between leader-member exchange and safety citizenship behaviours (Hofmann, Morgan, & Gerras, 2003).

Hsu, Lin and Chang (2010) also pointed out in an empirical study that the OC of an international airline company has moderating effects on transformative leadership and service-oriented OCBs. Similarly, to the service industries, when the frontline contact employees sense the company's value in pursuing service excellence, such a message may change employees' cognitive categorization; that is, changes in the definitions and expectations of personal roles. And such changes expand beyond the official role definition to include extra-role behaviours that facilitate achievement of customer satisfaction. Employees who have a stronger sense of OS often build an open exchange to give official feedback for the work and have a higher tendency to perform service-oriented citizenship behaviours as a means to repay the support from the organisation

(Morrison, 1994). Therefore, when an organisation has a stronger organisational climate, the effect of OS, as sensed by employees, on service-oriented OCBs would also be reinforced.

The effectiveness of an organisation lies solely in the hands of employees and management of those organisations. Organisational climate provides accurate information about commitment, performance, and satisfaction and also indicate to a large extent the meaning employees attach to the organisational situation and understanding employee attitudes and behaviour (Jones & James, 1979; James et al., 1990; Schneider, 1983; Schneider et al., 2000).

Organisational climate has been reported to be a significant predictor of important work-related outcomes from individual, group, and organisational levels. These include leader behaviour (Rousseau, 1988; Rentsch, 1990), turnover intentions (Rousseau, 1988; Rentsch, 1990), job satisfaction (Mathieu, Hoffmann, & Farr, 1993; James & Tetrick, 1986; James & Jones, 1980), individual job performance (Brown & Leigh, 1996; Pritchard & Karasick, 1973), and organisational performance (Lawler, Hall, & Oldham, 1974; Patterson, West, Lawthom, & Nickell, 1977).

Brown and Leigh (1996) demonstrated that perceptions of a motivating and involving organisational climate were positively related to supervisory ratings of performance. Organisational climate has also been shown to relate to group process variables across organisational levels (Griffin & Mathieu, 1997). Day and Bedeian (1991) also showed that employees performed better (as rated by their supervisors) in organisational climates they perceived as structured (unambiguous) and supportive of risk.

It has also been demonstrated that service climate is related to customer perceptions of service quality (Schneider, 1980; Schneider, Parkington, & Buxton, 1980; Schneider, White, & Paul,

1998). Safety climate has also been significantly linked with safety behaviors and accidents teams (Hofmann & Stetzer, 1996), and safety compliance in the health sector (Murphy, Gershon, & DeJoy, 1996). Research in the area of innovation also suggests that group climate factors influence levels of innovative behaviour in health care and top management teams (West & Wallace, 1991; West & Anderson, 1996).

A plethora of empirical studies have been conducted. In a study to determine the relationship between perceived organisational climate and organisational effectiveness among 46 employees of Lithuanian Government, the researchers utilized questionnaire in collecting the data. The sample comprised 27 females and 19 males with the majority of them having university education; more than 50 percent had extensive working experience in organisations as counsellors, experts and heads of departments of the Lithuanian Government. Bivariate analysis was conducted to determine the relationship between dimensions of organisational climate and organisational effectiveness.

It was observed that, a significant correlation exists between organisational effectiveness and well-defined, achievable tasks ($r=0.426$, $p=0.003$), comfortable work environment ($r=0.443$, $p=0.002$), enough communication within organisation ($r=0.372$, $p=0.011$), tolerance for individual differences ($r=0.378$, $p=0.009$), and pride in work and organisation ($r=0.592$, $p=0.000$) (Aleksandras & Aiste, 2003). This result is a reflection of the relationship between organisational climate and effectiveness in a public sector-oriented organisation. However, the climate created in private sector-oriented organisations sometimes differs significantly from public sector organisations. This makes investigations in private sector organisations a necessity to establish whether the findings can be generalized across these two sectors globally.

Chacko (2006) did a study on organisational climate as predictor of organisational effectiveness among 149 managers across 49 private and public sector organisations in India. The researchers used qualitative approach where 63 participants took part in the study. The results showed the dimensions of organisational climate are a predictive of some of the factors of organisational effectiveness.

Hart and Griffin (2006) found that organisational Climate model accounts for at least 16% single-day sick leave and 10% separation rates in one organisation. The study sought to understand the nature of interdependence between organisational culture and climate on learning perception of organisational members. Organisational culture was measured using Wallach Organisational Culture Index (OCI) and a 20-item Likert scale (developed by the author based on the Litwinian perspective). The employees of an insurance company, and a functional unit (marketing department) of a textile company were selected for the sake of homogeneity and making comparisons. Research findings, to an extent, indicated that there was a match between certain cultural attributes and corresponding climatic elements apart from the idiosyncratic features of the organisations. The assessment of culture-climate (OC – OCT) fit is of help for both senior management of organisations and HR departments to take necessary measures prior to the implementation of change strategies as well as the betterment of organisational productivity.

Organisational climate has also been found to be a significant predictor of organisational performance. The performance of an organisation may not broadly capture the concept of organisational effectiveness, but it is definitely an important aspect of the measurement of organisational effectiveness. It has been reported that, perceived positive organisational climate

was significantly associated with increased participation in decision making; greater information sharing and management support, and hence improved corporate effectiveness (Kangis & Williams, 2000). This finding was based on an empirical study involving industries ranging from manufacturing to hosiery and knitwear. Rigorous statistical analysis revealed a significant statistical index between organisational climate and performance.

Work climate has also been reported as an enforcer of positive workplace behaviours like employee satisfaction, commitment and performance. Organisational climate and job satisfaction have been viewed as related but distinct constructs and therefore it is possible to test the relationship between them (Al-Shammari, 1992; Keuter, Byrne, Voell & Larson, 2000). While organisational climate stresses perception of organisational attributes perceived by the rank and file in the organisation, job satisfaction deals with perceptions and attitudes people have towards work. Specifically, Litwin and Stringer (1968) provided empirical justification why climate is different from satisfaction by conducting a field experiment. In the experiment, different climates were created and tested on employee satisfaction. The result showed that each of the created climates had different effects on levels of employee satisfaction.

The effectiveness of an organisation is attributed to the workforce. Thus, an organisation populated with a large number of highly satisfied employees is likely to be an effective organisation because it is the contribution of the workforce that leads to the attainment of organisational goals. Climate has been demonstrated to significantly impact on employee job satisfaction among western samples. For instance, Friedlander and Margulies (1969) reported that organisational climate was significantly and positively related to employee job satisfaction. They further reported that individuals with different work values were more satisfied in different

work climates and that individuals' satisfaction with various aspects of their work was a function of the work climate in the organisation in which they work.

In a study involving 15 different organisations, researchers confirmed that organisational climate cause employee satisfaction. The study which was conducted by Taylor and Bowers comprised 284 workgroups (cited in LaFollette& Sims, 1975). Similarly, Hand, Richards and Slocum (cited in LaFollette& Sims, 1975) also corroborated the organisational climate-job satisfaction relationship reported earlier. They observed that managers with positive perception of the prevailing organisational climate demonstrated high level of acceptance of self and others than those with less positive view of the climate. People come to work with specific attitudes, needs and aspirations which are unique to them, but the impact of the work climate on these attitudes cannot be underestimated as it can influence them positively or negatively. Also, thought people may find themselves working in different units, departments, with different teams, the degree to which the work environment affects them is crystal clear (Gini cited in Peek, 2003).

Interest in understanding the effect of perception of workplace environment on employee's attitude continue to engage the minds of scholars after the earliest study by Mayo (1933) at Western Electric. Humans generally feel comfortable in organisations where they are given a good amount of space to operate. In a study, Bisconti and Solomon (cited in Peek, 2003) observed that organisational climates that allowed a high degree of autonomy and nurtured relationships between peers, supervisors and subordinates resulted in high level of satisfaction among the workforce. Similarly, Hackman and Suttle (cited in Peek, 2003) found that, organisations with good/positive climates were those that generally were interested in their employees, provided them with opportunities and recognized their achievements. Such organisations have a highly satisfied workforce. In a study among industrial engineers, Ford

(cited in Peek, 2003) identified organisational climate characteristics such as concern for the feelings of others as a significant predictor of job satisfaction. Similar results were found in a study conducted by Hopkins (cited in Peek, 2003), where a high regard for the feelings of others increased satisfaction.

Employees feel comfortable with work environments that are not characterized by ambiguities relating to their career progression and development. Such climates provide fertile grounds for job satisfaction and commitment in organisations. In the opinion of Schlesinger (cited in Peek, 2003), a work environment that encourages continuous learning and provides new opportunities influences job satisfaction.

Similarly, Brief (1998) found that salary, benefits and advancement opportunities were components of organisational climate that had a direct influence on job satisfaction, while Freeman and Rodgers (cited in Peek, 2003) found that people desire plenty of opportunities for advancement in addition to an environment that is not political and encourages open communication. Recent studies have also found similar results for the climate-satisfaction relationship, where various organisational climate characteristics can lead to the satisfaction of organisational members (Aarons & Sawitzky, 2006; Fisher, Milner & Chandraprakash, 2007; Gratto, 2001; Lephoko, Bezuidenhout & Roos, 2006; Peek, 2003). It can be deduced from the above literature that, an effective organisation is one with highly satisfied workforce and satisfaction of employees largely influenced by the prevailing workplace climate.

According to Gray (2007), a supportive work environment is related to employees' performance. He argues that a positive environment will result in motivated employees who enjoy their work.

It therefore comes as no surprise that work climate is an excellent predictor of organisational and employee performance.

IBM recognises the importance of workplace climate and the role it plays in the success or failure of organisations. A recent study at IBM showed that 25% variance in business results was directly attributable to variance in climate (Nair, 2006). Results from various surveys conducted at IBM reveal that there is a relationship between climate and the attraction and retention of employees, productivity and effectiveness which, when translated into results, shows growth in sales and earnings, return on sales and lower employee turnover. IBM views climate as the key to business results, stating that motivated employees will be more productive, more passionate and more engaged, thus resulting in significant and cost-effective output.

In an extensive study of manufacturing companies conducted by Williams in the UK, the relationship between climate and performance was investigated. The results showed that the majority of the dimensions were positively and significantly related to each other as well as to organisational performance with positive correlations on nearly all climate and performance measures (Gray, 2007). In similar research, Watkin (cited in Gray, 2007) found in his study of bottling plants, that the manufacturing plants with the most favourable working environments were in fact, the most profitable. Patterson, Warr and West (cited in Gray, 2007) found positive correlations of productivity with dimensions of organisational climate in their research on manufacturing companies.

According to Litwin and Stringer (1968), climate assists managers to understand the relationship between the processes and practices of the organisation and the needs of employees. By understanding how different practices and initiatives stimulate employees, managers will be able

to understand what motivates employees to behave in a manner that leads to a positive climate and results in the organisation's success.

Noordin, Omar, Sehan and Idrus (2010) designed a study to investigate the influence of organisational climate on organisational commitment of employees at ABC Company. The study involved 150 employees comprising executive and non-executive level employees who volunteered to participate in the study. A response rate of 72% was recorded as 108 questionnaires were duly completed and returned out of the 150 administered. The findings of the study indicate that employees perceived the organisational climate of their organisation to be at a moderate level. The mean values for the organisational climate ranged from the lowest of 3.38 to the highest of 3.77 of the 5-point likert scale. In terms of the commitment variables, continuance commitment appeared to be the lowest of the three components with a mean of 3.22. The correlation results revealed a no significant relationship between continuance commitment, organisational design, teamwork and decision making. All the other variables showed significant positive correlations. Overall, the findings of the study showed that there is a need to improve the current situation at ABC Company with respect to all the components of the organisational climate and organisational climate.

The link between organisational climate and organisational variables was also studied by researchers. For instance, Liu and Zhang (2010) conducted a study involving 419 participants of different educational levels, job position and length of service to determine the effect of organisational climate on human resource management effectiveness such as turnover intention, job satisfaction and work efficacy. Their findings showed that, educational level, job position, organisational tenure had significant main effects on organisational climate; specialty, enterprise character and enterprise size also had significant main effect on organisational climate. It was

also revealed that, organisational climate had a significant main effect on human resource management effectiveness such as turnover intention, job satisfaction and work efficacy. In addition, organisational climate had significant main effect on organisational effectiveness like staff members' organisation commitment and collective identity.

2.6. Statement of Hypotheses

- There will be a significant positive relationship between organisational culture and organisational effectiveness
- The dimensions of organisational culture (innovative, community, competitive and bureaucratic) will relate positively to organisational effectiveness with innovative culture accounting for more variance than the other subcultures (Community, competitive and bureaucratic).
- Organisational climate will relate positively and significantly to organisational effectiveness

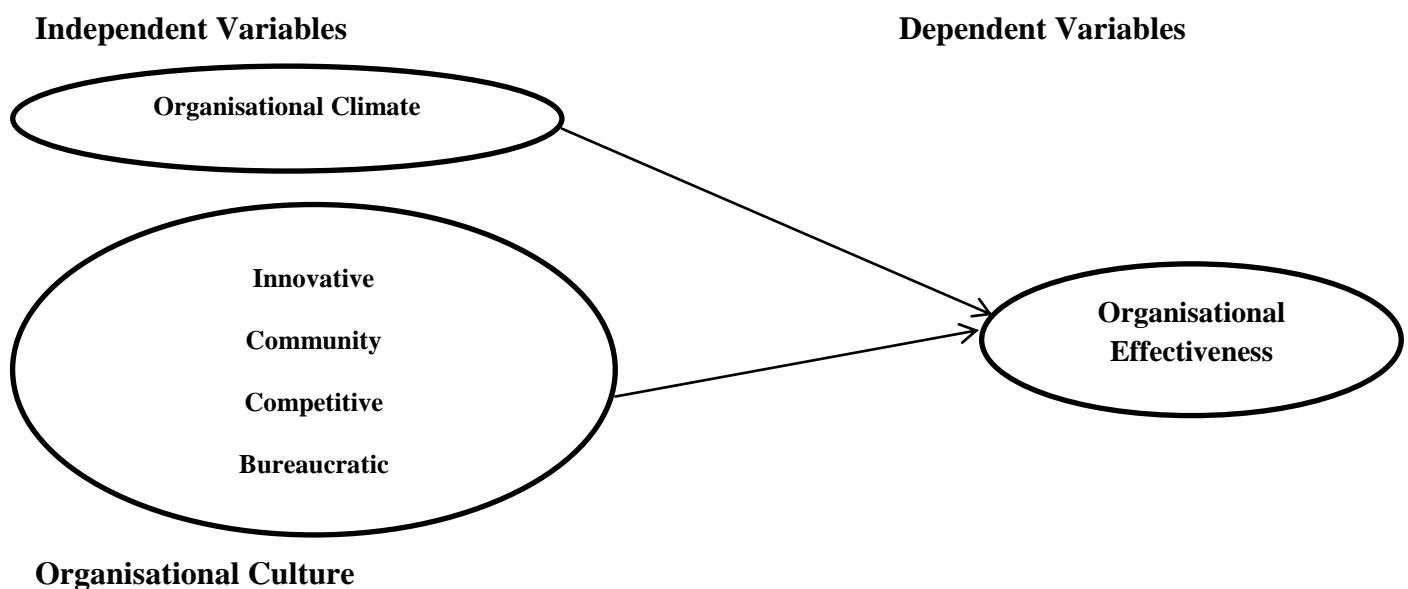


Figure 1: Summary of Hypothesized Relationship between Independent Variables and Dependent Variable

2.7. Operational Definition of Terms

- **Organisational Culture:** It refers to the value systems of organisations that encourages sense of togetherness, innovative behaviours, competitive spirit and policies and procedures that influence employees behaviour.
- **Organisational Climate:** It refers to the comfortable internal environment that creates and encourages positive behaviours in organisations
- **Organisational Effectiveness:** This refers to the attainment of organisational goals and objectives in organisations.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter presents the methodology ideal for the study. Specifically, focus would be on the research setting, design, population, sample size and sampling techniques, instrument/measures for collecting data on the independent and dependent variables, data collection procedure, and ethical issues considered in the study.

3.1. Research Setting

The study was conducted in the Greater Accra Region of Ghana. Essentially, focus was on the manufacturing sector. This sector was chosen over the other sectors because the great majority of studies in Ghana have focused on the service sector to the neglect of the manufacturing sector despite the significant role this sector play in the development of Ghana. Specifically, organisations like Nestle Ghana Limited, PZ Cussons, and Promasidor Ghana Limited were considered for the study. These organisations represent the giants in the manufacturing sector in Ghana especially those involved in nutritional, beverage and toiletries. Additionally, the sector provides the Ghanaian society with finished goods which serves our nutritional needs as well as bathing needs. In addition, the sector is an important source of employment for the Ghanaian people. Thus, investigating the influence of organisational culture and climate on effectiveness in this sector would serve relevant theoretical and organisational purpose in Ghana.

3.2. Research Design

The study employed a correlational research design to investigate the relationship between the independent variables (organisational culture and climate) on the dependent variable (organisational effectiveness). This design was appropriate for the study because the purpose was to determine the specific relationship that exists between the variables without any attempt to establish the cause of the relationship. In addition, the study was purely quantitative because only numeric data was gathered using a self-report questionnaire.

3.3. Population

The study comprised all employees in the selected manufacturing organisations in the research domain. The organisations involved in this study were Nestle Ghana Limited, PZ Cussons and Promasidor Ghana Limited, all manufacturing-related organisations. All permanent employees (i.e. non-probational staff) were the target participants in the study. The profile of these organisations demonstrates their pedigree in their areas of operation in the manufacturing sector of Ghana.

Nestlé Ghana Limited

Nestlé Ghana Limited started business in Ghana in 1957 under the trading name of Nestlé Products (Gh) Limited with the importation of Nestlé products such as milk and chocolates. It was incorporated as Food Specialist (GH) Limited in 1968 to manufacture and market locally well-known Nestlé brands. The company became Nestlé Ghana Limited in 1987. The company's famous brands, IDEAL milk and MILO found their way into the Ghanaian market in 1971 when production started at the Tema factory. A catalogue of products have been produced since then with products such as CARNATION milks, CHOCOLIM, CHOCOMILO CEREVITA,

CERELAC and NESCAFÉ 3 in 1. These products are not only produced for Ghana but also exported across West Africa. In 2003, Nestlé Ghana Ltd invested in a new warehouse, the Central Distribution centre, located next to the factory in Tema. The company also runs sales offices with warehouses in Kumasi, Takoradi, Koforidua and Tamale. The business activity of Nestlé Ghana Ltd is a direct contribution to the Ghanaian economy.

Promasidor Ghana Limited

Promasidor was founded in 1979 by Robert Rose, who left the United Kingdom in 1957 for Zimbabwe to pursue his African dream. In particular he noticed a lack of availability of the one highly nutritional product that the developed world takes for granted - milk. He realized that with technology in the manufacture of milk powders advancing rapidly, there was an exciting opportunity to provide milk powder in small portions that could be packaged in flexible sachets. It was found that removing the animal fat from the milk and replacing it with vegetable fat allowed for a longer shelf life. This meant that for the first time, milk powder could be distributed across the vast African continent, providing access to affordable milk to everyone in Africa. A passionate belief in this vision fuelled the pioneering concept of selling milk powder in small sachets and Promasidor began selling the Cowbell brand in the Democratic Republic of Congo (then Zaire) in 1979. Today Cowbell is sold in many countries across the African continent.

PZ Cussons Ghana Limited

PZ Cussons was formed in Ghana (then the Gold Coast) in 1934. PZ Cussons became a Public Company in 1976, and was listed on the Ghana Stock Exchange within 12 months of the inception of the Stock Exchange in 1990. From the early activities of importing, exporting and general trading, an industrial base was established in 1969 known as Sparta Manufacturing

Limited and Tema Thread Limited (PZ's manufacturing subsidiaries). Consequent to the Economic Recovery Programme instituted by the Government at that time, opportunity was taken in the late 80's and early 90's to rejuvenate PZ's industrial potential, concentrating on Health Care and Beauty Care Products. From this modest beginning PZ has since become a market leader in branded over-the-counter pharmaceuticals through such household names as Drastin, Zubes, Robb, Super Atlas multivitamin and Blood tonic.

With the introduction of the Venus Hair care products in November 1993, the Company achieved a prominent position in the Hair care products sector of the market. The Company also offers a wide range of cosmetics and toiletry products. Further to these achievements, a household products section which includes Camel antiseptic and Cussons Morning Fresh; a new brand of washing-up liquid, was also established in the 1990's.

In 1995 a decision was made to build a new soap factory in Ghana; a total new investment to the value of approximately \$10 million. The new factory has been successful and produces high quality toilet and laundry soap under the internationally known brand names Imperial Leather and Premier for toilet soap as well as Canoe and Duck brands for laundry soap.

These products are manufactured using locally produced palm oil and palm kernel oil. From 1st June 2002 the Group underwent a change of name, from Paterson Zochonis to PZ Cussons. The objective of the change was to unify the Group further under one identity, and to refresh and modernize its corporate image. With a solid product portfolio that includes a number of well established brands, such as Baby Care range, **Venus range, Duck soap, Camel soap & antiseptic, Imperial Leather, Premier, Canoe, Nunu Milk, Zubes, Robb, Drastin, Super Atlas and Haier Thermocool**, PZ Cussons can look at the future with great confidence.

PZ Cussons Ghana Ltd. currently employs about 500 workers through job opportunities created by its factories and through its nationwide distribution network. Production is carried out at its manufacturing site in Tema, whilst distribution is undertaken by the Company through a number of appointed Distribution Partners and its Regional Sales offices in Kumasi, Tamale, Tarkoradi, Koforidua, Denu and Accra.

3.4. Sample Size and Sampling Techniques

A two-stage sampling process was adopted in this study. The first stage involved selecting the organisations in the manufacturing sector while the second stage involved selecting the participants for inclusion in the study. To facilitate the sampling process, non-probability sampling strategies was employed. This sampling strategy was used to select the organisations and participants. Convenience sampling method was used to select the organisations from the manufacturing sector in the Greater Accra Region for the study. Using this strategy, all the manufacturing organisations operating in the Greater Accra Region interested and willing to participate in the study were selected.

To arrive at the participants for the study, non-probability sampling method was utilized. Though probability sampling method was preferred to non-probability but because of the difficulty in obtaining the list of employees in the organisations for random sampling, convenience sampling method (i.e. non-probability method) was used to select the participants to complete the research questionnaire in the study. Researchers have indicated that, the sample size for a study can be determined by using the number of independent and dependent variables involved in the study apart from using the total number of people in the population. Green (1991) two-stage procedure for determining the appropriate minimum sample size for regression analysis was adopted in this study.

According to Green (1991), in the first stage, lambda (L) is calculated by substituting the appropriate values in the following equation:

$L = 6.4 + 1.65m - .05m^2$, where m represent the number of predictors (independent variables).

The present study involves two (2) independent variables: organisational culture and organisational climate. Based on the number of predictors in the study, L was 9.5.

In the second step, L is substituted into the equation:

$N = L/f^2$, where $f^2 = R^2 / (1 - R^2)$.

Additionally, the contributed effect size of the sample size should reach Cohen's (1992) convention of $R^2 = .13$, in order to achieve a minimum effect size. Using the $R^2 = .13$ figure, the two-way procedure suggested by Green (1991) produced a minimum sample size of 64 which is required to achieve a minimum power of .60. Thus, the minimum sample size required for this study is 64. Similarly, using Tabacknick and Fidell (1996) formula for determining the minimum sample size for regression analysis, $N > 50 + 8M$, where M is the number of predictors, the minimum sample size required for the study will be 66. Based on these two calculations, a minimum sample size of 64 or 66 is required for the analysis in this study to obtain a valid result. The sample characteristics of the participants are detailed in **Table 3.1**.

Table 3.1: Sample Characteristics of Respondents

Variables		Frequency	Percent (%)
Job Position:	Management	86	31.4
	Non-management	188	68.6
Organisational Tenure	5years and below	264	96.4
	11years and above	10	3.6
Sex:	Male	191	69.7
	Female	83	30.3
Education:	HND	33	12.0
	First degree	189	69.0
	Masters	52	19.0
<i>Total Number of Respondents (N=274)</i>			

As shown in Table 3.1 in terms of job position the majority of participants selected from the three organisations held positions below management level (68.6%) while only 31.4 percent held managerial position in their organisation. In terms of organisational tenure, the majority had worked in their organisation for 5years and below (96.4%) while only 3.6 percent had worked for 11years and above in their organisation. Demographically, it was also observed that, 69.7 percent of the respondents were males with only 30.3 percent being females. Finally, the majority of respondents reported that their highest level of education was First degree (69.0%), 19.0 percent had Master's degree as their highest level of education while only 12.0 percent said they have HND as their highest level of education.

3.5. Instruments/Measures

Three different set of questionnaires were used in this study, namely; organisational culture, climate and organisational effectiveness questionnaires. The questionnaire was divided into four sections. Section A described the items on the organisational culture scale, section B described the items on organisational climate, section C described the items on organisational effectiveness and section D presents the demographic data collected in the study.

Section A: Organisational Culture

Organisational culture will be measured using the culture scale developed by Ogbonna and Harris (2000). The scale has four subscales, namely; competitive culture (4-items), innovative culture (4-items), community culture (4-items) and bureaucratic culture (4-items). These factors were extracted based on a principal component analysis of the Deshpande et al (1993) organisational culture scale which measures culture using components like market, clan, adhocracy, and hierarchy. The factors extracted by Ogbonna and Harris (2000) corresponds to adhocracy, market, clan and hierarchy used by Deshpande et al. (1993) in their study. The organisational culture and its subscales by Ogbonna and Harris (2000) have acceptable reliability values. The reliability values are; competitive culture ($\alpha=0.77$), innovative culture ($\alpha=0.76$), bureaucratic ($\alpha=0.70$), and community culture ($\alpha=0.70$) respectively.

The reliability value for organisational culture was 0.73. Sample items on innovative culture were “Readiness to meet new challenges is important in this organisation”, and “This Company is dynamic and entrepreneurial”. Items like “This company emphasizes goal and task accomplishment”, and “Competitive actions, achievements and measurable goals are important in this company” were on the competitive culture scale. Sample items on the bureaucratic culture

scale are “This Company is very formalized and structured”, and “Established procedures generally govern what people do here”. Sample items on the community culture scale are “Loyalty and tradition are important in this company”, and “High cohesion and morale in the firm are important”. All the items on the culture scale were anchored on a 7-point likert response format ranging from strongly agree (7) to strongly disagree (1). The four dimensions were used to measure culture as a whole. Based on this, the minimum and maximum scores for organisational culture ranged from 16 to 112 with minimum scores reflecting unfavourable organisational culture and maximum scores reflecting favourable organisational culture respectively.

Section B: Organisational Climate

Organisational climate was measured using the scale developed by Suarez, Muniz, Campillo-Alvarez, Fonseca-Pedrero and Garcia-Cueto (2013). The final scale which was developed based on factor analysis took into account the various dimensions of organisational climate reported in previous literature (Carr et al., 2003; Corral & Perena et al., 2010; James et al., 2008). The instrument included dimensions of organisational climate such as autonomy, participation, cooperation, rewards, relations, attachment to the job, work-life balance and innovation. It is a 50-item instrument based on a 5-point response format ranging from strongly agrees (5) to strongly disagree (1). The instrument has an acceptable alpha value of .94. Sample items on the scale included “my workplace is pleasant”, and “the relationships with my bosses are good”. The minimum and maximum score on this instrument ranges from 50 to 150 respectively. The

instrument has a reliability value of .97. High score meant that, the prevailing climate was favourable while low score meant the climate was not favourable.

Section C: Organisational Effectiveness

Organisational effectiveness was measured using the scale by Antoncic and Hisrich (2001). It is a 29-item scale with four subscale namely; employee satisfaction (8-items), organisational commitment (4-items), customer orientation (9-items) and financial and growth performance (8-items). All the four subscales had acceptable reliability values. Specifically, employee satisfaction ($\alpha=0.99$), customer orientation ($\alpha=0.90$), organisational commitment ($\alpha=0.99$), and financial and growth performance ($\alpha=0.93$).

The reliability value for organisational effectiveness was 0.95. Sample items on employee satisfaction scale are “I expect to remain working here for at least the next two years, assuming I continue to meet performance expectation”, “I would recommend our organisation to friends as a good place to work”. Sample items on the organisational commitment scale are “I would be willing to change companies if the new job offered a 25% pay increase”, “I would be willing to change companies if the new job offered more creative freedom”. Sample items on customer orientation are “We have routine or regular measures of customer service”, “we know our competitors well”. Some items on the financial and growth performance scale include “return on equity”, “return on assets/pre-tax”. It is a 5-point likert questionnaire with anchors ranging from strongly agrees (5) to strongly disagree (1). The minimum and maximum scores on the scale ranged from 29 to 145 respectively. Low scores on this scale meant low organisational effectiveness while high scores meant high organisational effectiveness.

Section D: Demographic Data

The study gathered relevant demographic data which included sex, organisational position of respondents, organisational tenure, level of education, and names of participating organisations.

3.6. Procedure

The researcher piloted the research instruments prior to the main data collection. Thus, the data collection procedure involved two main stages.

3.6.1. Pilot Study

Pilot study was conducted to determine the suitability and clarity of the items on the three research instruments which were used in the study. Thus, the organisational culture, organisational climate and organisational effectiveness scales were pre-tested to determine their suitability and reliabilities for the study. In the view of this, a convenient sample of 15 participants was used to pre-test the research instruments. The result showed that, participants had no difficulty understanding the items on the three instruments. Additionally, the reliability values for all the three instruments reached the accepted threshold of 0.70 required for research (Nunnally, 1978). The reliability values obtained for the scales in the present study were: organisational culture ($\alpha=0.96$), organisational climate ($\alpha=0.79$), and organisational effectiveness ($\alpha=0.71$).

3.6.2. Main Data Collection

The researcher obtained permission from the Human Resource Department of the selected organisations to facilitate the data collection process. Specifically, the researcher sought permission from Nestle Ghana Limited, PZ Cussons and Promasidor Ghana Limited. Thus, only three companies out of the numerous organisations that the researcher contacted accepted to

participate in the study. The researcher obtained a letter from the Department of Psychology, University of Ghana, Legon (See Appendix B for letters) to officially inform these organisations of the purpose of the study. Sample questionnaire was attached to each letter for review by the organisation. This was done to enable the organisation know the kind of data the researcher seeks to collect from the organisation and the participants. Additionally, it ensured that the organisations made an informed decision regarding participation in the study.

The Human Resource Unit of the selected organisations granted the researcher permission to begin with the data collection after the letter and sample questionnaire was examined. The researcher proceeded to collect data after approval was granted. The researcher chose an assistant from each organisation to assist in the administration of the questionnaire. This step was taken because the organisations explicitly indicated that the questionnaires should be deposited at the human resource unit for onward administration. In view of this, the researcher provided envelopes in which each completed questionnaire was put and sealed to ensure that the promise of confidentiality was fulfilled. The questionnaires were delivered personally by the researcher to the three organisations involved in the study. Data collection started in February 2013 and ended in April, 2013.

3.7. Ethical Consideration

The ethical acceptability of a research is guaranteed when important ethical protocols are upheld in a study. In this study, ethical protocols like informed consent, confidentiality, anonymity, institutional approval, responsibility, freedom to quit and promise of no harm to participants in the study were considered (American Psychological Association, 2002). First, all participants were informed in clear terms the purpose of the study to help them arrive at the decision as to

whether to participate in the study or not. This information was provided clearly on the questionnaire.

Second, the researcher promised participants of confidentiality of information. To make this possible, the researcher provided envelopes into which participants put completed questionnaires and seal them. This ensured that only the researcher had first-hand access to the responses provided by the respondents. Directly related to this is the issue of anonymity. Participants were instructed not to write their names on the questionnaire or write something that would lead to their identification. Finally, participants were made to know that they have the power to quit at any stage in the research process, and that they would not be subjected to any form of harm.

CHAPTER FOUR

RESULTS

4.0. Introduction

The study investigated the influence of organisational culture and organisational climate on organisational effectiveness among some manufacturing organisations in Ghana. Additionally, the study determined the amount of variance in organisational effectiveness accounted for by the four subcultures namely; innovative, competitive, bureaucratic and community cultures as well as the extent to which the relationship between organisational culture and organisational effectiveness is moderated by organisational climate. Data analysis was facilitated with statistical software. The Statistical Product and Services Solution (SPSS) version 16.0 was used to facilitate the analysis. The analysis in this study was in two parts; the first part involved preliminary analysis which involved computation of descriptive statistics, reliability analysis, test of normality and bivariate correlation while the second part involved test of hypotheses.

4.1. Preliminary Analysis

This initial analysis involved the computation of descriptive statistics such as mean, standard deviation, reliability analysis and test of normality for the variables using kurtosis and skewness values. Important assumptions underlying regression analysis such as multicollinearity (relationship between two independent variables), and normality were examined before the utilization of the regression test. The normality of the variables was assessed using values of kurtosis and skewness. According to Tabacknick and Fidell (1996), variables are said to be normally distributed when their kurtosis and skewness values range from ± 1 . Inspection of the kurtosis and skewness values as well as histograms attached as appendix for the independent

variables and dependent variable indicates that, all the variables are normally distributed. Also, the reliability values for all the variables observed in the study reached the acceptable threshold of 0.70 reported by Nunnally (1978). The descriptive statistics, reliability, skewness and kurtosis values for the study variables are presented in **Table 4.1**.

Table 4.1: Descriptive Statistics, Reliability Analysis and Test of Normality Results for Independent variables and Dependent variable

Variables	Mean	SD	Kurtosis	Skewness	Alpha
Independent Variables					
Organisational culture	84.584	16.543	0.259	-0.129	0.80
Organisational climate	175.193	14.065	0.688	-0.717	0.78
Dependent Variable					
Organisational effectiveness	110.573	11.647	-0.573	-0.247	0.83

Further, to test the existence or otherwise of multicollinearity (i.e. relationship between or among independent variables). This was done by utilizing Pearson Product-Moment correlation test. Multicollinearity exists when there is high correlation between or among independent variables. Tabachnick and Fidell (1996) indicated that when the correlation coefficient for two independent variables is ± 0.7 or more, then multicollinearity is said to exist. The Pearson correlation result in **Table 4.2** shows that the relationship between organisational culture and climate ($r=0.414$) was below the threshold reported by scholars for the existence of multicollinearity. As shown in Table 4.2, only organisational tenure was found to be significantly related to the independent variables (organisational culture and organisational climate) and the dependent variable (organisational effectiveness).

Table 4.2: Bivariate Correlation of the Relationship between Demographic Variables, Independent Variables and Dependent variable

Measures	1	2	3	4	5	6	7	8	9	10	11
Demographics											
1. Job Position	-										
2. Organisational Tenure	.132*	-									
3. Sex	.258**	.295**	-								
4. Level of education	.071	-.024	-.083	-							
Independent Variables											
5. Innovative Culture	.238**	.026	-.252**	-.022	-						
6. Competitive Culture	.183**	.035	-.137*	-.125*	.724**						
7. Bureaucratic Culture	.256**	.162**	-.237**	.072	.728**	.778**					
8. Community Culture	.060	.187**	-.354**	-.076	.744**	.654**	.833**				
9. Organisational Culture	.201**	.123*	-.278**	-.039	.879**	.868**	.936**	.910**	-		
10. Organisational Climate	-.141**	-.405**	-.222**	-.084	.468**	.406**	.284**	.358**	.414**	-	
Dependent Variable											
11. Organisational Effectiveness	-.097	.180**	-.061	-.135*	.741**	.559**	.634**	.705**	.733**	.484**	-

4.2. Test of Hypotheses

The hypotheses were tested using a battery of tests. Standard Multiple Regression, and Hierarchical Regression tests were used to test the hypotheses. The assumptions underlying the use of these statistical tests were satisfied in the study. The hypotheses tested in the study were:

- There will be a significant positive relationship between organisational culture and organisational effectiveness
- Innovative and community culture will significantly account for variance in organisational effectiveness than competitive and bureaucratic cultures
- Organisational climate will relate positively and significantly to organisational effectiveness

Hypothesis 1 and 3 stated above were tested using Standard Multiple Regression test. Test of normality and multicollinearity were carried out to satisfy some of the critical assumptions underlying the use of this test (See **Table 4.1 and 4.2**). The result is presented in **Table 4.3**.

Table 4.3: Summary of Standard Multiple Regression of the Relationship between Organisational Culture, Organisational Climate and Organisational Effectiveness

Model	b	SE β	β
Step 1			
Constant	40.728	5.750	
Organisational Culture	.453	.031	.643***
Organisational Climate	.180	.036	.217***

Note. $R^2=.577$ for Step 1, $\Delta R^2=.577$ for Step 1, *** $P<.001$

As shown in **Table 4.3**, the prediction that organisational culture will relate positively and significantly with organisational effectiveness was supported ($\beta=.643$, $p=.000$). In addition, organisational climate was found to be positively and significantly related with organisational effectiveness ($\beta=.217$, $p=.000$). Together, organisational culture and climate accounted for 57.7% of the variance in organisational effectiveness. It was also observed that the whole model was statistically significant [$F_{(2, 273)}=184.780$, $p=.000$].

Hypothesis 2 which sought to test the unique contribution of the four subcultures, innovative, competitive, community and bureaucratic on organisational effectiveness was tested using hierarchical multiple regression test. The study predicted that innovative and community cultures will each account for a significant amount of variance in organisational effectiveness than competitive and bureaucratic cultures. Thus, the subcultures were entered based on this criterion.

Table 4.4: Hierarchical Multiple Regression Results of the Relationship between Subcultures and Organisational Effectiveness

Model	b	SE β	β
Step 1			
Constant	66.886	2.448	
Innovative Culture	2.136	.117	.741***
Step 2			
Constant	67.154	2.304	
Innovative Culture	1.395	.165	.484***
Community Culture	.780	.130	.345***
Step 3			
Constant	67.919	.187	.504***
Innovative Culture	1.454	.187	.504***
Community Culture	.800	.188	.355***
Competitive Culture	-.108	.161	-.058
Step 4			
Constant	67.913	2.589	
Innovative Culture	1.454	.188	.504***
Community Culture	.800	.170	.354***
Competitive Culture	-.110	.186	-.039
Bureaucratic Culture	.005	.194	.002

Note. $R^2 = .549, .602, .603$ and $.603$ for step 1, 2, 3 and 4 respectively; $\Delta R^2 = .549, .053, .001$ and $.000$ for step 1, 2, 3 and 4 respectively. *** $p < .001$

As shown in **Table 4.4**, innovative culture related positively and significantly with organisational effectiveness ($\beta = .741, p < .001$). Innovative culture accounted for 54.9% of the variance in organisational effectiveness. In addition, community culture was found to be

significantly and positively related to organisational effectiveness ($\beta=.345$, $p<.001$). Community culture was found to account for 5.3% of the variance in organisational effectiveness. Further, competitive culture did not relate significantly to organisational effectiveness ($\beta=-.038$, $p>0.05$). Competitive accounted for only 0.1% of the variance in organisational effectiveness. Finally, bureaucratic culture did not relate significantly to organisational effectiveness ($\beta=.002$, $p>0.05$). Bureaucratic culture did not account for any variance in organisational effectiveness. Thus, the prediction that, innovative and community cultures will account for a significant amount of variance in organisational effectiveness than both competitive and bureaucratic was supported.

4.3. Summary of Findings

Four hypotheses were tested in the current study. The following results were obtained:

- Organisational culture significantly and positively related to organisational effectiveness
- Innovative culture accounted for a significant amount of variance in organisational effectiveness than community, competitive and bureaucratic cultures. In addition, it was observed that only innovative and community cultures significantly and positively predicted organisational effectiveness with both bureaucratic and competitive not significantly predicting the criterion (i.e. organisational effectiveness).
- Organisational climate significantly and positively related to organisational effectiveness

CHAPTER FIVE

DISCUSSION

5.0. Introduction

The effectiveness of an organisation is a desirable consequence every organisation seeks to accomplish. The present research in investigation the phenomenon of organisational effectiveness, sought to find out the extent to which organisational culture and climate affected the construct. Specifically, the study examined the relationship between organisational culture and organisational effectiveness; the amount of variance in organisational effectiveness accounted for by each of the four dimensions of organisational culture (i.e. community culture, innovative culture, competitive culture and bureaucratic culture) as well as the unique relationship that exists between the culture dimensions and effectiveness. Finally, the study investigated the link between organisational climate and organisational effectiveness. The figure below demonstrates the statistically significant relationships supported in the study. All the three hypotheses tested in the study reached statistical significance.

5.1. Discussion of Findings

This section discusses the empirical findings obtained in the study in relation to previous literature. In a systematic manner, the researcher discusses the findings in accordance with the hypotheses.

5.1.1. Relationship between Organisational Culture and Organisational Effectiveness

As expected, the prediction that there will be a significant positive relationship between organisational culture and organisational effectiveness was supported. This implies that, a favourable organisational culture was significantly associated with high levels of organisational effectiveness. The present research outcome which was based on a sample of manufacturing organisations in Ghana is consistent with the internal process and goal attainment theories of organisational effectiveness as well as previous findings (Mehralizadeh & Atyabi, 2006; Parhizgari, 2008). However, the finding contradicted earlier literature (Schneider et al., 2007).

Specifically, the culture-effectiveness relationship which has been endorsed by the current study in manufacturing organisations in Ghana is consistent with the internal process theory of organisational effectiveness which assumes that, an effective organisation is one with a harmonious and efficient internal working environment which drives the attainment of superior organisational goals (Steers, 1977). The outcome is therefore not surprising especially from the angle of this theory as the culture of an organisation informs largely the kind of atmosphere that prevailing internally in the organisation.

Thus, the empirical result reported in this study further strengthens the internal process theory of organisational effectiveness and further attest that with a good and efficient working environment, employees would be motivated to exhibit their best in an attempt to accomplish the organisations' mission and goal. Similarly, the result is in agreement with the goal attainment theory of organisational effectiveness (Price, 1972; Scott, 1977). The goal theory indicates that, organisations that accomplish their goals can be said to be effective because their goals are clear, stable and not conflicting. The significant link established between organisational culture and effectiveness only point to the fact that the manufacturing organisations used in the study have

very clear goals for the workforce and indeed a culture that encourages goal attainment at both individual and organisational level.

Apart from the theories of organisational effectiveness which the findings relate to, the significant relationship reported between culture and effectiveness is supported by other empirical findings reported in school and non-school settings. Specifically, the findings corroborated results obtained in school settings in Iran. Though, the study in Iran examined effectiveness from the angle of effectiveness of senior high school principals, the impact of culture was significant (Mehralizadeh & Atyabi, 2006). Similarly, Parhizgari (2008) found private sector organisations to be effective than public sector ones. This result agrees with the present results because the manufacturing organisations were drawn from the private sector in Ghana. In addition, the result from school setting and non-school setting clearly show that, irrespective of the sector of organisation when the value system of an organisation creates an efficient and harmonious working environment and also ensure the creating of clear and unambiguous goals, the result would be an effective organisation (Price, 1972; Scot, 1977; Steers, 1977).

The empirical evidence reported in this study has demonstrated that organisational culture creates the right value system and norms to direct the behaviour of employees and the focus of the organisation toward the realization organisational goals. It has also shown that, culture is everything the organisation needs because success or failure is largely attributable to the culture. Finally, the research finding which was based on Ghanaian sample has shown that culture is becoming a desirable ingredient for organisational effectiveness globally.

A critical look at the position taken by researchers suggests that organisational culture ensured that employee's behaviour in organisation was purposeful and goal-directed (Bateman & Snell,

1999). Thus, the significant relationship between organisational culture and organisational effectiveness attests to the fact that, the culture has shaped the behaviour of the workforce through the values, beliefs, practices, rituals and customs of the organisation (Marguardt, 2002). Against this backdrop, the researcher is of the greatest conviction that, the cultures of the three manufacturing organisations drawn for the study are appropriate for encouraging the exhibition of positive behaviours in the organisation. It can also be said that, manufacturing organisations in general either private or public should consider values systems that have the potential to create positive behaviours and sustain them for the benefit of the organisation.

Despite the above, the present finding also contradicted studies which examined differences in organisational culture and effectiveness between public and private sector organisations (Schneider et al., 2007). However, the present study which was conducted in the Ghanaian setting and in particular among private sector manufacturing organisations has demonstrated that an important communication exist between organisational culture and organisational effectiveness with a favourable culture leading to an effective organisation.

5.1.2. Relationship between Dimensions of Organisational Culture and Organisational Effectiveness

The study sought to find out the relationship and amount of variance in organisational effectiveness accounted for by culture dimensions such as innovative, community, bureaucratic and competitive culture. As hypothesized, the empirical result confirmed the researchers' position that innovative and community cultures will account for significant amount of variance in organisational effectiveness than bureaucratic and competitive cultures. The findings are in

agreement with both internal process and goal attainment theories as well as previous research result (Khazanchi et al., 2007).

The outcome of the study is consistent with the internal process theory because a harmonious and efficient working environment has the impetus to encourage creativity, risk taking, freedom and independence which are the critical elements of innovation (Steers, 1972). Given the significant amount of variance accounted for by innovative culture in organisational effectiveness, there is no doubt that the internal working environment of these organisations is not characterized by innovative behaviour and reinforcement of such behaviours. It is also in line with the goal attainment theory in that, innovation by the organisation and individual employees per the outcome of the study is seemed as the driving force for the accomplishment of organisational goals (Scott, 1977; Price, 1972). In addition, it is clear that sense of oneness is a major feature of the organisations involved in the study. This again is in line with internal process and goal attainment theories of organisational effectiveness (Scott, 1977; Steers, 1972; Price, 1972). Organisation is about people, and organisational effectiveness is also driven by people. Thus, cultures that encourage sense of togetherness certainly put emphasis on all organisational members to work together to achieve the single and most important goal(s) of the organisation. It is not surprising that, apart from innovative culture, community culture was also found to be the next strongest culture in terms of contribution to organisational effectiveness.

The results posted in the study showed that innovative and community cultures were relevant in predicting organisational effectiveness than competitive and bureaucratic cultures. Khazanchi et al (2007) revealed that when there is value congruence among members of organisations (community culture), and respect for flexibility and control (innovative culture), it would account significantly for organisational effectiveness. This position is strongly in line with literature in

that, employee's look beyond the concept of exchange such as labour for salary which often reflects employer-employee relationship in organisations and rather focus on loyalty, personal commitment, extensive socialization, teamwork, self-management and social influence (Hellriegel et al., 2001; Ogbonna & Harris, 2000).

Further, the acceptance and practice of entrepreneurial or innovative culture has been found to be an importance driver of organisational effectiveness in manufacturing setups. The finding regarding innovative culture in the current study subscribes to the view that, the adoption, practice and commitment to experimentation, innovation and leading edge attitude by organisations was key to organisational progress and effectiveness (Hellriegel et al., 2001).

The outcome of the study is justified because the binding glue in organisations is culture. In Ghana, interdependence, sense of oneness and family life are virtues that are cherished and encouraged, thus, it is not surprising that such a culture had a significant impact on organisational effectiveness. In addition, the fact that people feel that they are one, the tendency to die for the organisation is high. Also, when employees are given much freedom to operate, they tend to feel comfortable in such work settings and thus work at their maximum best. The eventual effect of such cultures is effectiveness.

5.1.3. Relationship between Organisational Climate and Organisational Effectiveness

As expected, the hypothesis that, organisational climate will relate positively and significantly with organisational effectiveness was confirmed in this study. This means that, a positive workplace climate was capable of reinforcing positive behaviours and hence effective organisations. This result is in agreement with previous findings (Aleksandras & Aiste, 2003).

The empirical finding posted in the present study is in agreement with the internal process and goal attainment theories of organisational effectiveness. In particular, well-defined, achievable tasks, comfortable work environment, enough communication within organisation, tolerance for individual difference and pride in work and organisation which significantly influence organisational effectiveness (Aleksandras & Aiste, 2003; Chacko, 2006) are critical elements espoused by the internal process and goal attainment theories of organisational effectiveness (Scott, 1977; Steers, 1977; Price, 1972). With respect to the internal process theory of organisational effectiveness, an efficient communication system, comfortable work environment, tolerance for individual differences and pride in work and organisation which typify the prevailing climate, ensured effectiveness in the organisation. Similarly, with well-defined and achievable tasks rolled-out to employees in organisations, attainment of goals become easy. Thus, when the climate of an organisation clearly demonstrates this, then the likelihood that, that organisation would be effective is high. The finding is also consistent with purely qualitative research evidence reported in a study (Chacko, 2006).

The view that the prevailing influences relationships in organisations and also helps managers to understand the important link between processes and practices was expressed by Litwin and Stringer (1968). The fact that, organisational climate impacted positively and significantly on organisational effectiveness reveals the power of favourable climate to create good relationship culture, encourage and stimulate initiative among employees as well as motivate employees to behave in a manner that is beneficial to the organisation. Climate has been linked to business results at IBM with recent evidence showing that 25% of variance in business results were attributable to variance in organisational climate (Nair, 2006). It is imperative that

organisations create and maintain a positive workplace climate since such an environment attracts, retains employees, increase productivity and effectiveness (Nair, 2006).

The greatest assets of an organisation are the human resource because the efforts of the employees translate to the performance of the organisation. However, the kind of climate existing in the organisation can either facilitate or inhibit performance on the part of employees. Thus, with a supportive workplace climate, level of motivation will increase leading to excellent organisational and employee performance (Gray, 2007). Relating the findings to theoretical positions espoused by scholars, it is clear that the manufacturing organisations involved in the study have favourable workplace climate-climate that creates opportunities for advancement, not political, that encourages open communication, freedom, creativity and respect for one another (Peek, 2003). Thus, it can be deduced that the workforce of the organisations involved in the study are highly satisfied largely as a result of the existing climate (Aarons & Sawitzky, 2006; Fisher, Milner, & Chandraprakash, 2007; Gratto, 2001; Lephoko, Bezuidenhout & Roos, 2006; Peek, 2003).

It is also plausible to say that a satisfied employee is an effective employee. However, since work environments that encourage continuous learning and provides new opportunities influence job satisfaction, it is rational to say that organisational effectiveness will increase in such an environment because such an environment is an embrace of effective employees (Peek, 2003).

The researcher supports the theoretical stand that employee's do well when their work roles are clearly defined and are also realistic; positive work environment and accurate communication. These variables are important recipes for maximum yields in organisations. The researcher finds the above finding plausible because clearly, there is the natural psychological urge for employees

to be at their maximum best when working in organisational environment that is relaxed and largely encourages respect for each other. In addition, people become proud and therefore love their work and organisation when that organisation provides the right climate for them to feel comfortable and feel valued working in.

Also, it shows that the manufacturing organisations drawn for the present study demonstrated and enforced a clearly created communication culture in their organisation on the basis that accurate communication eliminates doubts in the minds of people. Giving that these organisations produce consumables like milo, Lipton, bathing soap, and detergents, the clear definition of work roles and accurate communication would significantly reduce mistakes and hence better results for the organisation.

5.2. Implication of Findings

What does the results of the current study clearly suggests? The evidence gathered in the study showed that the leadership of organisations must ensure that the value systems of the organisation encourage behaviours that are consistent with the core mission of the organisation. Additionally, it has manifested that when the leadership of organisations support and enforce cultures which are in alignment with the mission of the organisation, the resultant effect would be success.

Further, the climate of the organisation has been found to play a significant role in organisational effectiveness. Thus, the creation and maintenance of a positive climate will reinforce positive behaviours from employees and even customers of the organisation. This is because such as climate would lead to a better interaction culture between employees and customers and hence

customer satisfaction. Thus, employees who perceive the climate to be good would demonstrate significantly high level of commitment and hence serve the organisation well.

Moreover, it is clear from the study that when the leadership of the organisation encourage the culture of oneness and togetherness, the likelihood that teamwork which has impact on organisational effectiveness. This has also shown that with the culture of oneness employees are likely to feel that they are one family. Similarly, the encouragement of innovative behaviours by the leadership of organisations would impact positively on organisations. This is because such a step would give the workforce the freedom to be responsible, take risks and be proactive in the manner in which they work.

Finally, it is clear that the culture of the organisation must necessarily be related or consistent with the climate to ensure that the combine effect has an impact on the organisation. Thus, the prevailing work climate must reinforce behaviours prescribed by the organisational culture in order to achieve the results envisioned by the rank and file of that organisation

5.3. Limitations and Recommendations

The study has demonstrated the significant and important role organisational culture and climate play on organisational effectiveness. Despite the positive outcomes observed in the study, the research is not without limitations. Specifically, the present study's' limitations can be categorized into methodological and statistical. Methodologically, although the correlational research design utilized in the study was appropriate, the significant relationships established between the independent variables and dependent variable does not translate to cause-effect relationship. Thus, the design used is not adequate enough to establish cause-effect relationship.

This is because only experimental designs guarantee the establishment of cause-effect relationship between independent variable(s) and dependent variable(s) in that with this design the issue about third variable factor which is a common problem in correlational design is eliminated through the utilization of effective control measures. In addition, the study was limited to the manufacturing sector of Ghana. This means that, the research outcome cannot be generalized to the other sectors of the country such as the service and extractive sector. Also, the statistical analysis was purely quantitative because questionnaire data was used to collect data. Though the questionnaire was found useful in the study, it tends to restrict the responses participants would have provided on the variables studied.

The empirical evidence gathered in this study has proven that organisational culture and climate have significant effect on organisational effectiveness. Despite this evidence from the Ghanaian manufacturing sector, it is important that further studies are carried out in future to broaden the base of this study by incorporating other sectors like the service and extractive sectors in the Ghanaian environment. Also, variables like organisational citizenship behaviours (OCB), organisational commitment and job involvement could be tested directly in future studies to determine their impact on organisational effectiveness. Further, comparative studies could also be conducted to determine differences in organisational effectiveness between public and private sector organisations in Ghana. Finally, researchers could also consider personality variables like locus of control and self-efficacy to determine how these individual difference variables accounts for effectiveness in organisations.

5.4. Conclusion

The study examined the influence of organisational culture and climate on organisational effectiveness in Ghana. Consistent with both internal process and goal attainment theories, the study found culture and climate producing a strong effect on organisational effectiveness. It has also been manifested in the study that when employees feel like a family (i.e. community culture), then, they feel that the organisation is part of them and thus, work hard to ensure that the goals of the organisation are accomplished. Similarly, when the culture of innovation is encouraged, then, people tend to be creative, take proactive measures and reasonable risks in order to accomplish organisational goals. Further, climates that are characterized by efficient communication systems, well-defined and achievable tasks, comfortable work environment and autonomy are more likely to lead to a highly effective organisation. It is therefore clear that, culture and climate have an impact on organisational effectiveness in the selected manufacturing organisations in Ghana.

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APPENDIX
RESEARCH QUESTIONNAIRE

Dear Participant,

My name is Georg, a Master of Philosophy student in Psychology with specialization in Industrial and Organisational Psychology at University of Ghana, Legon. As part of the requirements for graduation, I am required to conduct a research. In line with this, I am collecting data for my thesis, under the direction of Dr. Maxwell Asumeng and Professor Samuel Danquah both lecturers at the Department of Psychology. The study seeks to find out how **organisational culture and climate affect organisational effectiveness**. In view of this, you humbly invited to serve as a participant. Participation is completely voluntary and the questionnaire will require 25 to 30 minutes to complete. Please complete all the sections of the questionnaire to make your participation in this study meaningful. All completed surveys will be collected by the researcher. If you have any questions or concerns, please feel free to contact me at 0244744190 or email: nkonsah@yahoo.co.uk. Also, a summary of results will be available upon request.

Instructions: Please complete the following survey by marking your response to each of the questions in the appropriate section of the questionnaire, with a pen or pencil. After completing the survey, please place the completed questionnaire in the envelope provided and seal it.

Thanks in advance for your cooperation!!

Section A: Organisational Culture

Please indicate the extent to which you agree or disagree with the following statements which measures organisational culture. Answer by ticking (√) only one answer in each case. Use the scales below as a guide.

Strongly agree (7)

Agree (6)

Slightly agree (5)

Neutral (4)

Slightly disagree (3)

Disagree (2)

Strongly disagree (1)

1	Readiness to meet new challenges is important in this organisation	1	2	3	4	5	6	7
2	This company is dynamic and entrepreneurial	1	2	3	4	5	6	7
3	Employees are willing to take risks in this organisation	1	2	3	4	5	6	7
4	Commitment to innovation and development is core in this organisation	1	2	3	4	5	6	7
5	This company emphasizes goal and task accomplishment	1	2	3	4	5	6	7
6	Competitive actions, achievements and measurable goals are important in this company	1	2	3	4	5	6	7
7	The major concern in this company is getting the job done	1	2	3	4	5	6	7
8	This company is production-oriented	1	2	3	4	5	6	7
9	This company is very formalized and structured	1	2	3	4	5	6	7
10	Established procedures generally govern what people do here	1	2	3	4	5	6	7
11	Permanence, stability, efficient and smooth operations are important in this company	1	2	3	4	5	6	7
12	Formal rules and policies are important in this company	1	2	3	4	5	6	7
13	Loyalty and tradition are important in this company	1	2	3	4	5	6	7
14	This company is personal, it is like an extended family	1	2	3	4	5	6	7
15	High cohesion and morale in the firm are important	1	2	3	4	5	6	7
16	Commitment to this firm runs high	1	2	3	4	5	6	7

Sectional B: Organisational Climate

Please indicate the extent to which you agree or disagree with the following which seeks to elicit information about the prevailing climate in your organisation. Please tick (✓) only one answer in each case.

Strongly agree (5)

Agree (4)

Neutral (3)

Disagree (2)

Strongly disagree (1)

1	My workplace is pleasant.	1	2	3	4	5
2	The relationships with my bosses are good.	1	2	3	4	5
3	My bosses' responsibilities are well defined	1	2	3	4	5
4	My superiors encourage a critical spirit.	1	2	3	4	5
5	My work hours fit my needs.	1	2	3	4	5
6	I have the means necessary for doing my work.	1	2	3	4	5
7	My efforts are adequately rewarded.	1	2	3	4	5
8	My superiors value the order and accuracy in my work.	1	2	3	4	5
9	My bosses value the ideas I put forward for improving the job.	1	2	3	4	5
10	My bosses encourage me when I have problems so that I can solve them.	1	2	3	4	5
11	My suggestions about the job are listened to.	1	2	3	4	5
12	You really feel supported by your bosses.	1	2	3	4	5
13	Opportunities for training are offered.	1	2	3	4	5
14	I have independence for organizing my own work.	1	2	3	4	5
15	If I need help because of a heavy workload, I am given the necessary means.	1	2	3	4	5
16	The bosses take an interest in my work problems.	1	2	3	4	5
17	The goals of my work are clearly defined.	1	2	3	4	5
18	The bosses are approachable.	1	2	3	4	5
19	The bosses are willing to listen to their employees.	1	2	3	4	5
20	Socially, my work has the prestige it deserves.	1	2	3	4	5
21	My bosses are kind to me.	1	2	3	4	5
22	In my job, innovative contributions are appreciated.	1	2	3	4	5
23	When I do something well, my superiors congratulate me.	1	2	3	4	5
24	The relation between the job description and the tasks I carry out is good.	1	2	3	4	5
25	The contribution of new ideas is encouraged.	1	2	3	4	5
26	My job is well defined.	1	2	3	4	5

27	It is easy to find help when needed.	1	2	3	4	5
28	The reasons for the decisions made are usually adequately explained.	1	2	3	4	5
29	My work is adequately valued.	1	2	3	4	5
30	Deadlines are adequately met.	1	2	3	4	5
31	The organisation takes sufficient advantage of new technologies.	1	2	3	4	5
32	My efforts receive the recognition they deserve.	1	2	3	4	5
33	My bosses seem to me to be too authoritarian.	1	2	3	4	5
34	My superiors often pick on me about unimportant things.	1	2	3	4	5
35	My bosses watch me closely.	1	2	3	4	5
36	My superiors do not respond to demands.	1	2	3	4	5
37	I think I give more, emotionally, than I receive in my job.	1	2	3	4	5
38	My work is inadequately supervised.	1	2	3	4	5
39	My superiors behave in quite a despotic way.	1	2	3	4	5
40	I don't have much chance of showing my worth unless I change jobs.	1	2	3	4	5
41	The atmosphere is impersonal.	1	2	3	4	5
42	The bosses keep important information to themselves.	1	2	3	4	5
43	I feel as though I'm treated like a machine or a programmed object.	1	2	3	4	5
44	Everything is decided from above.	1	2	3	4	5
45	The long-term planning of the work defies explanation.	1	2	3	4	5
46	The job is organized along authoritarian lines.	1	2	3	4	5
47	Where I work, there are people with unfair privileges	1	2	3	4	5
48	The goals and results obtained are concealed from the employees.	1	2	3	4	5
49	The orders received are contradictory.	1	2	3	4	5
50	The methods of working in my section are old-fashioned and obsolete.	1	2	3	4	5

Section C: Organisational Effectiveness

Please indicate the extent to which you agree or disagree with the following statements which measures organisational effectiveness. Tick (✓) only one answer for each statement. Use the below scales.

- Strongly agree (5)
- Agree (4)
- Neutral (3)
- Disagree (2)
- Strongly disagree (1)

Employee Satisfaction					
1	I expect to remain working here for at least the next two years, assuming I continue to meet performance expectations				
2	I would recommend our organisation to friends as a good place to work	1	2	3	4 5
3	Our company values are consistent with my personal values	1	2	3	4 5
4	There are no processes or organisational barriers to my doing a good job	1	2	3	4 5
5	The work that I do makes a difference to this organisation	1	2	3	4 5
6	Our leadership team has the capabilities and commitment to address the challenges our organisation faces	1	2	3	4 5
7	I am trusted to make meaningful decisions in my day to day activities	1	2	3	4 5
8	I am paid fairly, given my responsibility and performance	1	2	3	4 5
Organisational Commitment					
9	I would be willing to change companies if the new job offered a 25% pay increase				
10	I would be willing to change companies if the new job offered more creative freedom	1	2	3	4 5
11	I would be willing to change companies if the new job offered more status	1	2	3	4 5
12	I would be willing to change companies if the new job was with people who were more friendly	1	2	3	4 5
Customer Orientation					
13	We have routine or regular measures of customer service	1	2	3	4 5
14	Our product and service development is based on good market and customer information	1	2	3	4 5
15	We know our competitors well	1	2	3	4 5
16	We have a good sense of how our customers value our products and services	1	2	3	4 5
17	We are more customer focused than our competitors	1	2	3	4 5
18	We compete primarily based on product or service differentiation	1	2	3	4 5
19	The customers interest should always come first ahead of the owners	1	2	3	4 5
20	Our products or services are the best in the business	1	2	3	4 5
21	I believe this business exists primarily to serve customers	1	2	3	4 5
Financial and Growth Performance					
Compare the below items according to your rivals considering the last year					
22	Return on equity	1	2	3	4 5
23	Return on assets/pre-tax	1	2	3	4 5
24	Net profit margin from main activities	1	2	3	4 5
25	Revenue from new products	1	2	3	4 5
26	Overall business performance	1	2	3	4 5
27	Relative growth in market share	1	2	3	4 5
28	Overall competitive position	1	2	3	4 5
29	General profitability	1	2	3	4 5

Section D: Demographic Information

Please tick (✓) the information that represents your particular circumstance.

1. Job Position: Management position () Non-management position ()
2. Organisational tenure: 5 years and below () 6 to 10 years () 11 years and above ()
3. Sex: Male () Female ()
4. Level of education: HND () First degree () Masters () Others (please specify)

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