

Impact of Organisational Culture on Employees Performance in the Construction Industry in Nigeria

Faruna, D.O. Ph.D¹, Ikupolati, A. O. Ph.D², Olaleye, Y. O. Ph.D³, Adelodun S.S. Ph.D⁴, Aliu, J.N. Ph.D⁵

Abstract:

The study seeks to investigate the impact of organizational culture on employee's performance in the construction industry in Nigeria. This was achieved by examining the effects of organizational core values and determining the effects of organization Innovation on employees' meeting set targets in the construction industry in Nigeria. An explanatory research design was adopted. The target population for the study was 120 employees selected from construction companies in Abuja, Ibadan, Lagos, Abia and Kaduna towns where construction works are visible. 87 respondents returned a fully answered questionnaire representing 72.5%. Data collected were analysed using both descriptive and inferential statistics (mean, standard deviation, t-test and chi-squares). The data collected was summarized, classified, tabulated and analysed using SPSS and Microsoft Office tools. The study revealed that there was statistically significant positive relationship between the two organizational culture and employee's performance. The results of t- test analysed revealed that organizational core values and organizational innovation have effect on employee's performance at 95% confidence level. However, using t-test organizational culture does change employer's performance positively. The study concludes that organizational culture has impact on employees performance in the construction industry in Nigeria. The study therefore recommended that individual value should align with that of organizational values in merit-based system should be used to differentiate between high and low performers.

Keywords: Construction Industry, contribution, culture, economy and organization

1 Back ground to the Study

Every organization has a culture, understanding what goes on in organizations is key to achieving success in improve mentinitatives(Jaca and Promas, 2015). Organizational culture defined as a pattern of shared value, beliefs norms assumptions and practices that inform organizational process and behaviors which a group learns as it solves its problems of external adaptation and informal integration (Volmohaicsmadi&Roshamir2015)

Globally, the construction industry is a significant contributor to its respective economy as it cuts across all aspects of human activities (Delie Radloback Maksimov and Peculsisa, 2013).Its contributions ranges from enabling the procurement of goods and services to the prevention of buildings and other infrastructures, thereby providing employment opportunities to its labour force while contributing immensely to the Gross Domestic Product (GDP) (Makhdromi, 2018). According to Chukwuka (2016), the contribution of the Nigerian construction industry is yet to measure up to those of the western world like the United Kingdom and Australia due to its developing nature, whereas the construction industries of other developed countries are responsible for about 25% of their respective GDP, the responses case is different as it contributes slightly below 16% of it economy

Despite the widespread acknowledgement of the important role of organizational culture on employees performance, there is a gap in empirical literature examining the association between organizational culture and employees performance in the construction industry in Nigeria.

1.1 Specific objectives

1. To establish the effects of organizational core values on employees performance in the construction industry in Nigeria
2. To determine the effects of organizational innovation on employees meeting set targets in the construction industry in Nigerian

1.2 Research Hypothesis

- 1 Ho: There is no significant relationship between organizational core values and employees performance in the construction industry in Nigeria.
- 2 Ho: Organizational innovation has no significant effects on employees meeting set targets in the construction industry in Nigeria.

2. Literature Review

2.1 Organizational Core Values

Organizational core values describe the core ethics or principles which the company will abide by no matter what. They inspire employees best efforts and also contain their actions. Clearly articulated values should be a true reflection of your organizations aspirations for appropriate workplace behaviour and play an important role in building a positive culture at your organizations. This study looked at organizational core values under employee morale productivity and turnover.

2.2 Employee Moral

This is the attitude, satisfaction and overall outlook of employees during their association with an organization or a business. When employees have confidence in the capability of their company leadership, they tend to have positive moral. When they share a vision for where the company is headed and are positive about the direction, employees also exhibit high moral. Employees moral can be kept high through communication level, workload, teamwork mindset, overall fund, incentive programs, recognition and turnover rates.

2.3 Productivity

Productivity means adopting an attitude for contained improvement. Being efficient means driving at every movement, what we consciously chose to do and not what we feel we are doing forced by circumstances. Productivity measures the efficiency of a company production process. It is calculated by dividing the outputs produced by a company by the inputs used in its production process. Productivity boost, moral and creates a company culture of excellence, resulting in an improved workplace environment. When a company is highly productive and successful, incentives like pay hikes, bonuses, medical insurance etc are made available to the employees.

However work environment, training and career development opportunities, process, pay structure, employees wellness, diversity and technology and production factor all affect productivity in a company

2.4 Turnover

It is sometimes referred to as gross revenue or income. Its an important measure of your business performance knowing your turnover figure is useful throughout the whole life of your business from planning and securing investment, through measuring performance to valuing your company. Employee turnover do happen when you are losing good employees sometime to competitors. Causes include problems with the company's culture, its benefits and compensation structure, its career path and training managers and much more. High voluntary turnover impacts profitability and often, customer satisfaction. When employee turnover happens, companies may lose employee productivity, be forced to recruit new employees, suffer from lower morale, miss out on sales opportunities and have to deal with additional expenses that could be avoided if they just held onto the employee in the first place. High turnover rate also contribute negatively to the growth of a company.

2.5 Innovation

Radical innovation shape the great changes in the world while incremental innovations continuously fuel economic change. Innovation is one of the few business that everyone can see the value of it is seen as a contributing factor for strengthening the competitiveness of an industry, for meeting customers expectation, creating skilled jobs and motivating employees. Regardless of the analytical framework chosen, liberal or not including solidarity principle or not global checklist or not only innovation seems to beable to reconcile social and economic approaches to economic growth. In particular it is considered as essential attribute to save industry. (Muriel and Stepheine2018).

Most innovative work is done in teams, but creative performance varies from team to team in generating and promoting ideas within a team is found to correlate with its performance motivational orientation. It is the process by which an individual or a group makes its actions consistent with its objectives, values and norms. Motivation can be prevention (avoidance of losses) or promotion (obtaining benefits aimed at an idea). In addition, innovative companies favour small, well structured project teams and bring together individuals who excel in complementary discovery skills. Furthermore, to be effective in creative work, a team must be composed of individuals who have different skills, good communication, and openness to new ideas as well as the ability to challenge, trust and help each individuals that benefit from the team's support (Muriel and Stephenie 2018)

2.6 The Classical School

Organization and management theories in this category perceive organization issues from different directions. We have two main proponents in this school; Fredrick Winslow Taylor (1856-1915) and Henri Fayol (1841-1925). Tylor focused on rationalizing jobs beginning from the lowest level of the organizations. Fayol concentrated on providing a rational model for top management of an organization (Harder Robertson and Woodward, 2004)

Taylor attempted to develop the principles of scientific management which some theorists in later years considered to be dehumanizing and exploitive of workers. He emphasized the need to attain efficiency and how management could maximize its return on labour by employing his principles. According to Henri Fayol, the management functions of co-ordination and speculation are extremely important, and coordination is best achieved using four of the principles

- i Thescalar chain
- ii Unit of command
- iii Span of control
- iv Expectation principles

Meanwhile, specialization was achieved by how department were formed and how jobs were grouped, therefore, the departmetallization principle. The approaches of Fredrick Taylor and Henri Fayol have two things in common

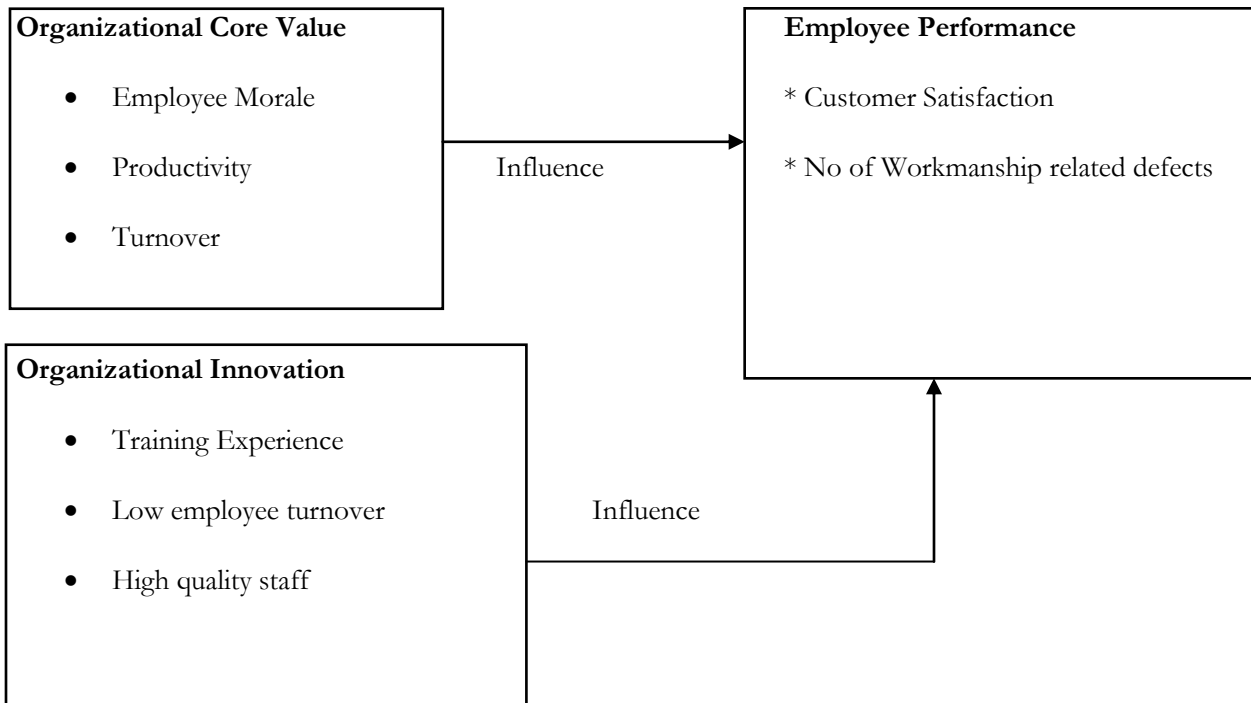
- i. They proposed the best way to manage organizations
- ii They attempted to develop rational techniques to help build structure and process necessary to co-ordinate actions in an organization

3 Research Framework

The primary variable of interest of the study is the dependent variable of employees performance which is measured by customer satisfaction and number of workmanship related defect. The independent variable that may affect the dependent variables are organizational core value and organizational innovation on employees meeting set targets. The relationship between dependent and independent are shown in figure 1

Independent Variable

Dependent Variable



3.1 Research Method

For the purpose of data collection, a survey questionnaire was conducted among employees of construction organizations registered with Cooperate Affairs Commission directory of 2015. The research questionnaire was divided into three main sections, which evaluated the respondents background, background of the employees and the performance factors of the employees. The main research instrument used in this study was the open-ended format of questionnaires. To test the content validity, the questionnaires were initially distributed to experts panels of 3 comprising an Employee, Statistic and Academia knowledgeable in the area of employee performance. This was followed by a pilot survey to get an initial feedback on the content of the questionnaire. During the pilot survey, 15 respondents from registered organization with Corporate Affairs Commission were collected and the questionnaire was then amended according to the comments of employees before the actual feedback began. In the main survey, a total number of 120 questionnaires were sent out to employees in Abuja, Ibadan, Lagos, Abia and Kaduna towns. After three months period, 87 (72.5%) response rates of the questionnaire were returned deemed useable. The data was analysed by using t-test analysis to establish the findings.

However, in the content of the study, employees performance is defined in terms of customer satisfaction and number of workmanship related defects. In business world, these two indicators are highly used by researchers to measure employees performance due to their clarity in definition in terms of the size of the organization and to the accessibility by researchers.

4 Data analysis

4.1 Measurement of Mean

Mean indicates to what extent the sample group on average agrees or disagrees with the different statements. According to Mrzyk, Demattoe and Festinger (2005), the lower the mean, the more the respondents disagree with the statements. The higher the mean, the more the respondents agree with the statement. According to Zaidato and Bagheri (2009) cited in (Wogari, 2016) the score below 3.39 is considered low, 3.79 is considered as moderate and mean score above 3.8 is considered as high.

Table 1

No	Mean Value	Description
1.	Less than 3.39	Low
2.	3.40 – 3.79	Moderate
3.	Greater than 3.8	High

Objective 1

To examine the effect of organizational core values on employee performance in the construction industry in Nigeria

4.2 Descriptive Analysis

The study focused on employee morale, employee productivity and turnover factor. Employee morale were measured through observation ,attitude records, counselling, opinion survey, employee grievances and use of suggestion boxes have their means between 3.4-3.79 which indicated that the measurements are moderate. Thus, employee morale was an important dimension in organizational core value on employee’s performance

Employee productivity were measured through establishing a baseline, define and measure tasks, set clear objectives and goals, carry out a client survey, consider culture identified benchmark and targets, track individual progress and requests daily update. All the items measured have their mean above 3.8 which signifies a high mean except for culture with a mean of 3.79. Also, employee’s productivity is an important dimension in organizational core value on employee performance in the construction industry in Nigeria. Turnover rate were measured through voluntary turnover, involuntary turnover, retirement and internal transfer. All the items measured have their mean between 3.40 – 3.79 which signifies a moderate mean which depict that employee turnover rate is an important dimension in organizational core value in employee’s performance in the construction industry in Nigeria.

4.3 Inferential Analysis

Ho: There is no significant relationship between organizational core values and employee’s performance in the construction in Nigeria.

Table 2: showing t–test of organizational core values and employees performance

	of variances	Levene’s Test For or equality		T – Test for Equality of Mean						
		F	Sig	T	df	Sig 2 tailed	Mean difference	Std error	95% conf internal	
									Lower	Upper
Values	Equal variance assumed			2.20	8.5	0.060	2.1080	0.948	0.1089	4.0918
	Equal variance not assumed	0.157	0.696	2.215	17.830	0.060	2.100	0.948	0.1067	4.0932

Objective 2

To determine the effects of organizational innovation on employee meeting set targets in the construction industry in Nigeria.

5 Description Analysis

The study focused on training experience, low employee turnover and high quality staff. Training experience were measured through self assessment questionnaire, informal feedback from peers and Managers, on the job observations, actual job performance using key performance indicators have their mean above 3.8 signifying a high mean except for actual job performance using key performance indicators with a mean of 3.75 which is moderate.

Generally, training experience of employee is an important dimension in company innovation on employee’s performance.

Low level employee turnover were measured through using rating scale, 360 -degree feedback, self-evaluation, Management by objectives and checklist. All the items measured have their means above 3.8 which signifies high mean except for management by objective with a mean of 3.75 which is a moderate mean. Generally, low employee turnover rate is an important dimension in employee performance in the construction industry in Nigeria. High quality staff were measured through humility, honesty, happiness, capable to repeal others vision, having their boundaries and standards, maintain confidentiality, use words very carefully, confident, good listener /observer and good learner. All the items measured have their mean between 3.4 – 3.79 which signifies a moderate mean except for good learning of the employee which has a mean of 3.93 which is above 3.8 meaning high measured mean. Generally, high quality of staff is an important dimension in employee performance in the construction industry in Nigeria.

5.1 Inferential Analysis

Ho: Organizational Innovation has no significant effects on employees meeting set targets in the construction industry in Nigeria.

Table 3. Showing t-test of organizational innovation on employee meeting set targets.

	of variances	Levene’s Test For or equality		T	T – Test for Equality of Mean					
		F	Sig		df	Sig 2 tailed	Mean difference	Std error	95% conf internal	
									Lower	Upper
Values	Equal variance assumed	1.157	0.296	5.939	18	0.000	6.8000	1.1450	4.394.37	9.205.63
	Equal variance not assumed	0.157	0.68	5.939	16.961	0.000	6.8000	1.1450	4.383.76	9.20624

6 Discussion

From the analysis, organizational core values and organizational innovations contribute to employees’ performance in the construction industry in Nigeria

The two factors should be given more attention by the organizations that want to see great effects on their employee’s performance in the construction industry. From the analysis, organizational culture have impact on employee performance in the construction industry in Nigeria.

7 Conclusion

With the use of the independent samples t-test, the p-value which is 0.06 is greater than alpha value which is 0.05, thus the null hypothesis is not rejected and concludes that organizational core values have an impact on employee’s performance in the construction industry in Nigeria. Also, with the use of the independent sample t-test, the P-value, which is 0.680 is greater than alpha value, which is 0.05, thus the null hypothesis is not rejected and concludes that organizational innovation has contributed to employees performance in the construction industry in Nigeria.

8 Recommendations

1. Individual values should align with that of the organizational values so that individuals working in the organization not only have a greater level of work performance than those who don’t but also stay longer in the tenure with the company.
2. A merit – based system should be used to differentiate between high and low performers

References

- Chukwuka, E. J. (2016). Effect of Human Resource Management Practicals on Employee Performance. Lambert Academic Publishers Germany
- Harder, J. P. Robertson, H. and Woodward (2004). The Spirit of the New Workplace: Breathing Life into Organizations. *Organizational Development Journal*, b2(2), 79 – 103.
- Makhjooml, U (2018). Top Management Commitment and Diversity Challenge in the Telecom Sector. *Asian Journal of Managerial Science*. 7 (1) 222-259
- Marczyk, Demattes and Festinger (2015). How Organizational Culture Affects Employee's Performance. Retrieved from www.helivm.com
- Muriel, D. & Stephanie, T. (2018). Innovation Culture in Organization. <https://www.receshgate.net/publication>.
- Redman, T. & Maguire, S. (2013) "Sustainable Human Resource Management: A Review and Research Agenda", *International Journal of Management Review*; vol. 5 No 1; 1 – 14
- Valmohammachi, C & Rosahamrir (2015). The Guidance's of Improvement Relations among Organizational Culture TQM and Performance, *International Journal of Production Economics* 164 (15) 167 – 178.
- Wogri, M. (2016). Employees Perception of Performance Based Incentive Schemes and its Influence on Employee Productivity. AAUSC.