INFLUENCE OF ORGANIZATIONAL CULTURE ON EMPLOYEE OUTCOMES: THE MODERATING EFFECT OF HUMAN RESOURCE MANAGEMENT ORIENTATIONS IN KENYAS' CIVIL SERVICE

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ABSTRACT

Numerous empirical studies on organizational culture and employee outcomes have been undertaken mainly in the private sector and in the developed countries. Nonetheless, it is important to understand this relationship in the public service of a developing economy as well. Additionally, the effect of human resource management orientations on this relationship has not been explored, despite theoretical assertions that organizational culture and human resource management orientations can influence employee outcomes. This study was inspired by the desire to fill these gaps in the knowledge of empirical research. The study examined the effect of organizational culture on employee outcomes in Kenya's civil service and the moderating effect of human resource management orientations on this relationship. The study adopted a cross-sectional descriptive survey design method. Data was collected from employees in senior, technical and middle level cadres in Ministries and state departments using a self-administered questionnaire. The results of the study indicated that organizational culture significantly influenced employee outcomes in the civil service. The study results affirmed findings from previous research which established a significant link between organizational culture and employee outcomes. The study recommended that top policy makers in the civil service should realign the policies and practices in the service to the prevailing organizational culture. This would enhance employee job satisfaction and commitment to organizations.

Key words: *Organizational Culture; Human Resource Management Orientations; Employee Outcomes; Kenyans' Civil Service.*

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INTRODUCTION

Organizations today leverage on organizational culture as a contributory factor to employee outcomes and work performance (Hwang & Wang, 2011). Previous studies have cited internal organizational culture as an explanatory variable to employee work behavior and attitudes, particularly employee job satisfaction and commitment (Adewale and Adeniji, 2013; Wambugu, 2014). Past studies indicate that organizational culture is essential for an organization's success and effective service delivery because it impacts on most aspects of an organization's existence (Daft, 2010). Organizational culture affects the way in which people feel, think, perceive and make decisions. Culture prescribes who makes decisions and how, employee rewards and development and organization's response to changes in the environment (Nga'nga & Nyongesa, 2012). Internal organizational culture denotes specific collection of assumptions that are shared by people and groups in an organization and control the way they relate with each other and with stake holders outside the organization (Nongo & Ikyanyon, 2013).

The fit between human resource management orientations and organizational culture has been suggested to result in favorable employee outcomes (Huang, 2011). Human resource management orientations, also referred to as HRM practices and high-performance work systems, represent organizational activities aimed at managing the human resource factor to accomplish organizational goals Empirical research indicate that HRM orientations reinforce the expected attitude and behavior in employees, leading to increased organizational commitment, enhanced organizational efficiency and productivity (Alusa et al, 2015). A study by Ibrahim (2014) showed that employee outcomes are major factors of employee productivity and organizational effectiveness. Employee job satisfaction and commitment are important employee attitudes and behaviors for assessing

employee identification with the organization, work performance and the overall productivity in the organization (Sagwa *et al*, 2015). Previous researches relate employee outcomes to factors such as employee turnover, motivation, organizational citizenship behavior, stress and absenteeism (Kehoe & Wright, 2013). Employees that have attained a high level of job satisfaction exhibit commitment to organization and are likely to stay with the organization despite the status of the organization (Mbugua, 2015).

The main objectives that guided this study included;

- To assess the influence of Organizational Culture on Employee Outcomes in Kenya's civil service.
- To determine the moderating effect of Human Resource Management Orientations on the relationship between Organizational Culture and Employee Outcomes in Kenya's Civil Service.

The Hypotheses of the study were;

- Organizational Culture has a significant influence on Employee Outcomes in Kenya's civil service.
- Human Resource Management Orientations have a moderating effect on the relationship between Organizational Culture and Employee Outcomes in Kenya's civil service.

LITERATURE REVIEW

There is consensus from past studies that organizational culture has a significant influence on employee work performance, loyalty and commitment to organization (Adewale and Adeniji, 2013; Nongo and Ikyanyon, 2012; Nganga & Nyongesa, 2012). Culture facilitates cohesion and commitment to an organization through shared values, norms and beliefs. This assertion was supported by the theoretical literature that the linkage of human resource management practices and internal organization's environment would have greater impact on employees (Ahmad, 2012). The Contingency Theory proposed that human resource management orientations implemented by an

organization would have greater impact on employee commitment when they are aligned to organizational culture (Kidombo et al, 2012).

A research by Ahmad (2012) on impact of organizational culture on performance management practices in selected cities in Pakistan showed that culture had significant positive correlation with management practices. Nongo and Ikyanyon (2012) examined the effects of corporate culture on employee commitment to organizations in small and medium sized enterprises in Nigeria and the results of the study were that organizational culture

significantly correlated with employee commitment. A study by Adewale and Adeniji (2013) analyzed the relationship between organizational culture and HRM practices, and how this impacted on employee outcomes among employees in two privately owned Universities in Nigeria. The findings of the study were that there was a significant positive relationship between organizational culture and HRM practices. The results of the study further revealed that the integration of organizational culture with HRM practices in the organizations resulted in positive employee outcomes.
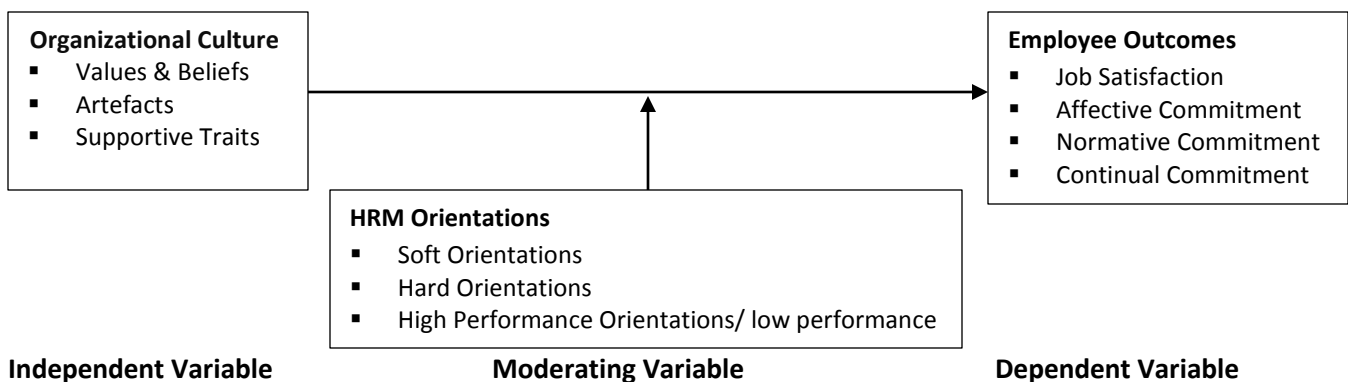

Organizational Culture
- Values & Beliefs
- Artefacts
- Supportive Traits

HRM Orientations
- Soft Orientations
- Hard Orientations
- High Performance Orientations/ low performance

Employee Outcomes
- Job Satisfaction
- Affective Commitment
- Normative Commitment
- Continual Commitment

Independent Variable   Moderating Variable   Dependent Variable

Figure 1: Conceptual Framework

METHODOLOGY

The positivism philosophical design was adopted by this study since the approach is based on measurable facts and objectivity (Sauders, Lewis and Thornhill, 2009). As described by Creswell (2014) positivism tradition is underpinned by empirical knowledge which is grounded on findings of collected data. The study adopted a cross-sectional descriptive survey design, both quantitative and qualitative approaches (Cooper & Schindler, 2011). The qualitative approach method was used to give in-depth information on the influence of internal organizational culture on employee outcomes. The quantitative approach method was used to describe the variables and to measure the hypothesized relationship between internal organizational culture and employee outcomes (Creswell, 2014). The study used

quantitative survey method to quantify the hypothesised relationship between the research variables. This involved the adoption of a standardized questionnaire aimed at examining the relationships between the two variables.

Primary data was collected using a structured self-administered survey questionnaire. A standardized questionnaire was designed in such a way that all the study variables were covered. The survey questions linked directly to research objectives and provided necessary data for hypothesis testing. The study used the drop and pick method to distribute questionnaires to heads and deputies of human resource management in Ministries and state departments, with sufficient copies to share out with the rest of the respondents. A self-administered questionnaire was preferred due to the literacy levels of the respondents and was found convenient to

administer. Each questionnaire was accompanied by an introduction letter addressed to the respondents.

Validation of the study instrument was carried out using validity and reliability measures. A pilot study was done to identify elements that were unclear and sensitive and were bound to introduce bias and errors (Kumar, 2011). The test for validity was carried out using the questionnaire. A pre-test study (pilot) assisted to identify any bias or error associated with the research tool and appropriate adjustments done. Confirmatory factor analysis (CFA) was also conducted on all the constructs and the CFA value of above 0.5 considered valid (Gujarati & Porter, 2010). Expert opinion was sought from the supervisors and scholars who advised on the content of the research tool used. Reliability of an instrument is the extent to which the instrument provides similar results after repeated similar studies. As explained by Saunders et al (2009), the goal of reliability is to minimize the errors and biases of a data collection instrument. The object is to ensure that if a later researcher followed the same procedures and the same findings and conclusions would result, then the research instrument is considered reliable. Mugenda and Mugenda (2003) opine that reliability is the consistency of measurement of degree to which an instrument measures the same way each time it is used under the same conditions. Cronbach's Coefficient Alpha (α) was calculated to test the internal reliability of the study variables. As per the rule of thumb, the computed Coefficient Value > 0.7 was considered acceptable while the value of < 0.7 was be considered unfavourable in the test of reliability. Cronbach's Alpha is a measurement tool commonly used by social scientists to assess the internal consistency of items within a study variable (Garson, 2012).

On data analysis and presentation, sample adequacy was measured using the Kaiser-Meyer- Olkin (KMO) test. The sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to proceed.

Pearson's correlation was used to determine the degree of relationships between the independent variables and dependent variable. Regression analysis was used to determine the predictability (contribution) of the independent variables to the dependent variables.

RESULTS

The study sought to explore the influence of Organizational Culture on Employee Outcomes in Kenya's civil service. The findings of the study revealed that organizational culture significantly influenced employee outcomes in Kenya's civil service. In addition, human resource management orientations significantly moderated the relationship between organizational culture and employee outcomes in Kenya's civil service. Based on the study findings, the respondents understood the values and beliefs of their state departments and that values and beliefs promoted teamwork and trust in management. Majority of the respondents therefore agreed largely with the statements on the elements that were used to measure organizational culture, such as; management in state departments consulted employees for suggestions on leadership. These findings were further supported by the ANOVA and Coefficient results. Statistically, it meant that there was a significant and positive relationship between organizational culture and employee outcomes in the civil service in Kenya. However, in the presence of Human resource management orientations, the positive relationship between organizational culture and employee outcomes were more significant.

Hypotheses Results

Test for the relationship between the dependent and independent variables indicated that Organizational Culture significantly influenced Employee Outcomes in Kenya's civil service. Human Resource Management Orientations had a moderating effect on the relationship between Organizational Culture and Employee Outcomes in Kenya's civil service.

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CONCLUSION

The findings of the study indicated that Organizational Culture significantly influenced Employee Outcomes in Kenya's civil service; hence the adoption of a positive organizational culture in Kenya's civil service would lead to improved employee outcomes. The study further indicated that Human Resource Management Orientations significantly moderated the relationship between Organizational Culture and Employee Outcomes in Kenya's civil service. This meant that if Kenya's civil service lays emphasis on the implementation of HRM practices with consideration of positive Organizational Culture, employee outcomes will be enhanced.

RECOMMENDATIONS

The study recommended that senior policy makers in the civil service should review and implement positive organizational cultural practices in Ministries and state departments to enhance employee outcomes. Management should involve employees on decisions that affect them in the organization. The study recommended that top management in the civil service should review the HRM policies and practices to be aligned to positive organizational culture to enhance employee outcomes. In addition, the study recommended that policy makers in the civil service promote the practice of both soft and hard HRM orientations to improve service delivery in the civil service.

Areas for further Study

This study examined the influence of internal organizational culture on employee outcomes in the civil service in Kenya. The analysis indicated that internal organizational culture had a significant influence on employee outcomes. Future studies should focus on different types of organizational cultures and how they influence employee outcomes. Another area of interest can be establishing the effect of external factors on employee outcomes in the civil service in Kenya. Other studies can focus on different employee outcomes including; absenteeism, turnover intentions and employee trust. Future studies can involve other sectors of the Public service such as Parastatals, State Agencies and the Independent Commissions.

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