

Influence of Change in Organisational Culture on Performance of Employees in Western Circuit Hotels-Kenya

Odera Florence Auma

School of Business and Economics, Department of Business Administration, Maseno University,
P.O Box Private Bag, Maseno-Kenya

Abstract

Purpose: The goal of this study was to assess the influence of change in organization culture on performance of employees in western circuit hotels- Kenya.

Methodology: To collect and analyze data for this study, correlation research design survey was used together with Lewin's model and Contingency theories of change for theoretical framework. The target population of this study was 585 staff from different levels from which a sample of 116 was drawn. Stratified random sampling was used with level of staff forming basis of strata. Data instruments were tested for validity via exposure to experts and reliability by Cronbach's Alpha test on pilot data from 12 respondents. Reliability results indicated all three scales reliable at .801, .777 and .825.

Findings: In an aim to identify the influence of change in organization culture on performance of employees within hotels in western tourist circuit Kenya, Regression results showed that change in organization culture had positive influence on employee performance ($\beta=.323$) A statistical model accounted for 26.1% of variation in employee performance respectively

Contribution to theory and practice: The newly acquired insights in this study will contribute to the literature on change in organization culture and its impact on performance of employees in hotels. In addition, the results could be of help to management and stakeholders in hospitality industry being a major employer in the country, students pursuing course in hospitality, improving employee performance, loyalty and attitude towards work to realize great overall performance. The study recommends that the organizations become vigilant on activities of culture change.

Keywords: Change, Organization culture, Employee Performance, Western Circuit Hotels-Kenya.

1. Introduction

Background of the study

Change represents deliberate adjustments made within an organization's overarching approach. This encompasses two distinct components: first, a "Change in Organizational Culture," which involves reshaping the core values, beliefs, and behavioral norms that collectively shape the organizational atmosphere and employee interactions. Although some organization feel the problem is insignificant and is being overblown, change in organization culture is threatening to add another impediment to employee performance particularly in the hospitality industry. Human resource or a person at work is the most important component of the undertaking management cannot afford to ignore at any cost. In means employing people, developing them, utilizing, compensating and maintaining their services in tune with the job and organizational requirements. Several studies have been carried out in regards to this: Increased competition and the need for strategic flexibility and adaptability brought on by globalization, is affecting almost every organization today, regardless of size, human capital capabilities, market, focus, among others. (Jaros, 2010). These changes occur across the spectrum and include strategic, structural, operational, process and cultural change (Armenakis, Harris, & Moss holder, 1993). Strategic change in the context of employees' performance therefore remains one of the most important focuses of the organization. Organizational culture, can be described in terms of values, norms, artefacts and management style

(Armstrong, 2010). Schein (2004) defines organizational culture as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems. Dodek, Cahill and Heyland (2010) stated that culture is to an organization and personality is to the individual, yet unifying theme that provides meaning, direction, and mobilization. According to Chegini (2010), organizational culture is the belief, values and practices, which form the characteristics of an organization. A study by Wambugu (2014) analyzed the influence of organization culture on employee's performance with a focus on Wartsila Limited, a private organization in Kenya. The study empirically tested the effect of the four elements of organization culture namely; organization values, organization climate, leadership styles and work processes on the employee's performance. The results suggested that managers should focus on the factors that have a significant effect on employee performance. Birch and Cooper (2012) carried out research to test the hypothesis that employee performance levels are better predicted by a combination of positive job and work attitudes (employee engagement) and psychological well-being than by positive job and work attitudes alone. The study provided evidence that the two previously separate constructs are both important in predicting measures of employee performance. Using the multiple regression analyses, the study concluded that psychological well-being has incremental value over and above that of positive job and work attitudes in predicting self-reported levels of performance. Employee performance is the backbone of an organization as it leads to development effectively. Unfortunately, many organizations spend a lot of money on hardware rather than investing in creating a high performance culture, which is basically the software that drives the business. It is on this basis that the study seeks to fill the gap with reference to hotels in western Kenya circuit termed as a hidden treasure.

1.2 Statement of the Problem

Change is crucial and requires a lot of expertise and knowledge to formulate and implement. The ability to manage and adapt to organizational change is essential in the workplace today Felicetti (2009). The hotel industry is such an important sector as it is a major income earning industry to the economy. It creates employment opportunities hence improving the living standards of the people. It also improves ties and image of the country as it attracts and hosts guests from all walks of the world. This leaves a research gap that this study seeks to fill by critically analyzing the influence of change in organizational culture on employee performance in western circuit hotels -Kenya. Hotels generally flourish on the strength of its staff, being labor intensive, it operates in a dynamic competitive environment where change is a determining factor on performance. change in organization culture impacts on employee performance. The circuit is described by the Tourism Board of Kenya as the country's "best kept secret" because it is believed to be the least explored by both domestic and international tourists and very little is known on its diverse natural and cultural attractions hence the use of the term "hidden treasures". However, there is very limited evidence on influence of change in organizational culture on employee performance which this study, seeks to fill the existing gap by determining how change in organization culture influences performance. Employee Performance is the output of an employee against a set target by the employer. It is a measure of how people carry out their designed roles and responsibilities with a view to achieving planned organizational goals. The hospitality industry often invests substantial resources in planned strategic change projects, aiming to create new cultures and improve employee performance. However, these efforts frequently result in negative outcomes for both employees and companies. Employees become resistant to subsequent changes when previous change objectives aren't met, a trend seen in the hospitality sector. Hotels in the Western Kenya circuit tend to implement changes at the individual level rather than as a group, leading to a lack of employee involvement and dissatisfaction. The absence of clear communication and involvement of low-level operational employees can lead to the failure of change initiatives. High turnover and the inclusion of inexperienced employees negatively impact change success. In this context, the study aims to address the gap in understanding the influence of strategic change on employee performance, particularly focusing on culture within the hospitality industry.

3.Research Methodology

This chapter offers an explanation into what type of research this study was all about, defines the population of the study and the specific sampling techniques used, methods of data collection and data analysis. This

chapter is organized along the following subsection: research design, target population, sample size and sampling procedures, research instruments, data collection procedures and data design, data analysis and research ethics.

3.1 Research Design

This study adopted correlation survey design. Correlation survey is used to obtain information concerning the current status of the phenomena to describe what exists with respect to variables in a situation, by asking individuals about their perceptions, attitudes, behavior or values.

3.1.2 Target Population

The population of this study consisted of employees at all levels of management from Hotels in Western Kenyan circuit which according to the field result of 2016 was 585. Mugenda and Mugenda (2003) explained that the target population should have observable characteristics to which the study intended to generalize the result of the study.

3.1.3. Sample frame

The researcher sampled 20 percent of sample size from sample division, i.e., hotel employees were sub divided into 4 strata and ten percent of top level management, middle level management, lower level management and non-management level of the total respondents. This was because the sample was quite representative of the whole population thus providing the necessary data between 10-30 percent of the accessible population was enough to form a sample (Mugenda and Mugenda, 2003). Employees were purposively selected from various branches to form a sample of 116 which was used for the research study. Stratified random sampling was used because it achieved a greater degree of presentation and also gave members equal chances of being included in the sample (Kothari, 2004).

3.1.4 Data Collection methods

Majorly, primary data was the most used as secondary data was used as reference point while doing this study. Primary data was collected with a semi-structured questionnaire that was self-administered by the researcher to the respondents. Secondary data was collected from already existing sources and previous research. This was through reading relevant literature available in the library, various documents, publications and reports including, journals, and magazines.

3.1.5 Sources of Data

The main source of data was primary and partly secondary. Primary data involved interviews, observation, and questionnaires while Secondary data involved previous researches, diaries, mass media communication and historical information.

3.1.6 Data Collection procedures.

The researcher used questionnaires as the main tool to collect data, the questionnaire had structured and close-ended questions. Structured or close-ended questions are the questions with a list of all possible alternatives from which respondents select the answer that best describes their situation. They are easier to analyze since they are in an immediate form, and were economical to use in terms of time and finance. Unstructured or open-ended questions are questions which give the respondent complete freedom of response. The questionnaires were self-administered by the researcher by hand delivering it to the organization under study and was also allowed to meet the employees at lower levels of management to present the questionnaires personally and make any clarification regarding the research and was collected after a few days mainly from the top management.

3.1.7 Research Instruments

Instrument was generic term the researcher used to measure device (survey, test, questionnaire, etc.) distinguishing between instrument and instrumentation, it was considered that the instrument was the device and instrumentation was the course of action (the process of developing, testing, and using the device). Usability referred to the ease with which the instrument was administered, interpreted by the participant, and scored/interpreted by the researcher. Reliability was thought of as consistency. Validity was the extent to

which an instrument measured what it was supposed to measure and performed as designed to.

3.1.8 Pilot Study

A pilot test involving 12 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questions to the respondents. This ensured the reliability of data collection instruments used. A letter of introduction and a consent form was attached to the questionnaires explaining the purpose of the study. The questionnaires were administered to the respondents. The use of questionnaires was aimed at improving the quality and efficiency of the research process.

3.1.9 Reliability

Reliability is the ability of a research instrument to consistently measure the characteristics of interest over time. Kothari (2004) points out that instrument reliability refers to the level of internal consistency or the stability of the measuring devices. Reliability was ascertained using Cronbach's Alpha at a threshold of 0.7. All the scales were found to be reliable.

3.2. Validity

According to Mugenda and Mugenda (2003) validity is the accuracy and meaningfulness of inferences, based on the research results. Extent to which a measure adequately represented the underlined constructs. It is a measurement procedure which is distinct from that of a design attribute.

The proposal was based on expert's judgment. One of the main reasons for conducting the pilot study was to ascertain the validity of the questionnaire. The study used both face and content validity to ascertain the validity of the questionnaires. Content validity drew an inference from test scores to a large domain of items similar to those on the test. Content validity was concerned with sample-population representativeness. Gillham (2008) stated that knowledge and skills covered by the test items be represented to the larger domain of knowledge and skills.

3.2.1 Data Analysis and Presentations.

Mean and standard deviation was used along with regression analysis to establish results for objectives one and two which were about influence of change in organizational culture on performance of employees in Hotels in Western Kenya Circuit. Objective three involved fitting a regression to determine the influence of culture on employee performance

4. Chapter Summary.

Correlation and regression analysis was used; questionnaires were administered by the researcher to collect data from convenient sample of respondents. Research methodology offered explanation into what type of research this study was. This chapter describes the research methodology, including the population, sample, data collection instruments as well as strategies used to ensure the ethical standards, reliability and validity of the study. Dealing with people is so complex more so getting their views on matters pertaining their work environment and how they felt about change required a lot of patience and understanding. It was expensive in terms of tools that were used during reliability and validity test. Time factor was felt to get questionnaires in place.

4.1 Change in Organization Culture

The results depicting responses on this issue are in Table 4.1.

Table 4.1: Change in Organization Culture

STATEMENT	MEAN	STD. DEV
Change in organizations rules and regulations	3.95	0.793
Change in organizations processes and procedures	4.00	1.026
Change in organizations focus for cultural diversity and inclusion from different places	3.82	0.683
Change in efforts to match organization culture with cultural beliefs of staff in the organization	3.90	1.021
Change in approaches for decision making processes of	3.87	0.833

the organization		
Change in balancing of application of financial and non-financial parameters as motivators	3.85	0.779
Change in culture of flow of information and communication in the organization	3.72	0.826
Change in pride of employees in being part of the organization and in what they do.	3.69	1.004
Change in organizational culture that promotes promotion	4.19	1.062
Change organizational culture of creativity and innovation	2.82	1.167
Change in defined roles and responsibilities	3.54	1.232
Overall	3.76	1.101

Source: Field Data (2018)

From the table 4.1 the overall mean is 3.76 with a standard deviation of 1.101. Based on the mean, this means that organization culture change activities are high and based on the standard deviation it means that the responses on the issue were more or less the same.

4.2 Results & Discussion.

The study established that any change in the organizational culture definitely boost the performance of employees. The cultures were particularly oriented towards the relationships between employees and fellow employees and employees with their seniors. The findings revealed that the provision of rules and policies that provided clear instructions, processes and procedures for employees was the most prevalent culture component.

The existence of organizational culture reported increased productivity in the hospitality industry and positive change led to good quality of work from employees. Additionally, it promoted the timely achievement of set goals by the hotels. The study further revealed that employees valued team work more than individualism while conducting their duties as per analysis found from questionnaires, employees and management staff believed that if change was brought in, then team work would yield better results to the hotels. The employees also revealed that they kept work and personal life separate and this cumulated to better performance since personal issues were not brought at the workplace.

5. Conclusion

The result indicated that change in the organizational culture impacted positively on employee performance and definitely led to improvement of the organization at large.

5.1 Recommendations to hospitality stakeholders and for future Research

Hotels in western circuit should monitor and enhance their activities that bring change to organization culture. This is because it leads to positive change in employee and performance of the organization in general. The findings revealed that the provision of rules and policies that provided clear instructions, processes and procedures for employees was the most prevalent culture component.

5.2 Suggestions for Further Study

There was further need for similar researches to be done in other sectors to help in making conclusive recommendations on the effect of change on performance of employees where change on the organizational mission and culture were felt. Research to be done on both private and Government owned hotels; a comparison made on how the employees are affected. How would employees in private sector be affected whenever change was to be implemented?

References

1. Armstrong, M. (2010). *Armstrong's essential human resource management practice: A guide to people management*. Kogan Page Publishers.

2. Armenakis, Harris, & Moss holder, 1993).
3. Bennett, R. H., Fadil, P. A., & Greenwood, R. T. (1994). Cultural alignment in response to strategic organizational change: New considerations for a change framework. *Journal of Managerial Issues*.
4. Chegini, M. G. (2010). The relationship between organizational culture and staff productivity public organizations. *Journal of Social Sciences*, 6(1), 127-9.
5. Dodek, P., Cahill, N. E., & Heyland, D. K. (2010). The relationship between organizational culture and implementation of clinical practice guidelines: a narrative review. *Journal of Parenteral and Enteral Nutrition*, 34(6), 669-674.
6. Gillham, B. (2008). Observation techniques: structured to unstructured. *Education Review*.
7. Jaros, S. (2010). Commitment to organizational change: A critical review. *Journal of Change Management*, 10(1), 79-108.
8. Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
9. Mugenda, A. (2003). Research methods Quantitative and qualitative approaches by Mugenda. *Nairobi, Kenya*.
10. Robertson, I. T., Jansen Birch, A., & Cooper, C. L. (2012). Job and work attitudes, engagement and employee performance: Where does psychological well-being fit in? *Leadership & Organization Development Journal*, 33(3), 224-232.
11. Schein, E. H. (2004). *Organizational Culture and Leadership (Jossey-Bass Business & Management Series)*. Jossey Bass Incorporated.
12. Wambugu, L. W. (2014). Effects of Organizational Culture on Employee Performance (Case Study of Wartsila-Kipevu Ii Power Plant). *European Journal of Business and Management*, 6(32).