



## Effects of organisational culture on public sector employee performance of public in Nigeria: The mediating role of strategy

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### Abstract

The study examines the effects of organisational culture on public sector employees' performance in Nigeria with the mediating role of strategy. The study was quantitative in nature and a cross-sectional survey design was used to obtain data from respondents. The convenient sampling technique was employed to gather data from 246 staff of five public organizations in Nigeria. The data was analyzed with the use of Statistical Package for Social Science version 21.

Findings of the study showed a significant positive relationship between organisational culture and employee performance at a Beta value of 0.862 implying that the independent variable organizational culture explains 86.2% of the dependent variable employee performance whilst about 13.8% is explained by other variables. Also, a significant positive relationship between organizational strategy and employee performance was established with a beta value of 0.788 depicting that the independent variable organizational strategy explains 78.8% of the dependent variable employee performance whilst about 21.2% is explained by other variables. The study has some managerial implications and directions for future studies.

**Keywords:** Organisational culture, employee performance, strategy, public organizations, Nigeria

### Introduction

The desire to survive the intensified competition in the business environment and to top the competition has thrown organizations into the realization of building a strong culture. As argued by Assoratgoon & Kantabutra (2023) <sup>[3]</sup>, every organization has a unique organisational culture. In the views of Assoratgoon & Kantabutra (2023) <sup>[3]</sup>, its culture derives from its past, present, current people, technology, physical resources and from the aims, objectives and values of those who work in the organisation. Studies have recognized the significant role that organisational culture plays in the formulation and implementation of firm strategies and its influence employees' performance (Kuswati, 2020 <sup>[14]</sup>; Iskanto, 2023) <sup>[11]</sup>. Defined as the shared perception of what behavior is expected and rewarded inside the organization (Wahjoedi, 2021) <sup>[25]</sup>, organisational culture defines the success or failure of organisation (Al Amin *et al.*, 2023) <sup>[2]</sup>. Therefore, it is important to understand culture in an organisation as to help organisational leader in making management decision and in achieving excellence strategy. It is necessary to view strategic management from a cultural perspective because successful organisational performance often rests upon the degree of support that strategies receive from the organisation's culture (Qomariah *et al.*, 2023) <sup>[19]</sup>.

In Nigeria, public sector employees are often criticized for poor delivery performance culminating in poor organizational performance. Many put the blame on the door step of poor organizational culture. Extant literature posits that poor organizational culture will have negative consequences on employees' performance (Nguyen, 2020 <sup>[16]</sup>; Sapta *et al.*, 2021) <sup>[20]</sup> which will invariably affect organizational performance (Tannady & Budi, 2023) <sup>[23]</sup>. The concepts of organisational culture and employee performance have assumed considerable importance in the 21<sup>st</sup> century due to globalization coupled with intense competition (Tampi *et al.*, 2022) <sup>[22]</sup>. However, there appears to be few or no studies conducted with the

mediation of strategy suggesting a gap in knowledge. Studies have shown that the culture of an organisation can be of indispensable help to management in formulating strategic decision to enhance employees' performance. This study is therefore being conducted to fill in the gap in knowledge

### Significance of the Study

In the area of research, this study will add up to extant work in academic literature in the area of organisational culture, Organisational strategy and employee performance especially in the African context. Also, it will be among the few empirical studies to investigate the relationship between organizational culture and employee performance with organisational strategy as a mediating variable. With relevance to practice, management would gain a better picture and understanding of the association between organisational culture and employee's attitude and behavior. Further, management also benefits from the recommendations and gain a better picture and understanding of the link between culture and employee performance and how to formulate good strategy to enhance employees' performance.

### Literature review

#### Concept of Organizational Culture

When any group of people live and work together for any length of time, they form and share beliefs about what is right and proper (Paais & Pattiruhu, 2020) <sup>[18]</sup>. They establish behaviour patterns based on their beliefs, and their actions often become matters of habit which they follow routinely (Paais & Pattiruhu, 2020) <sup>[18]</sup>. These beliefs and ways of behaving according to Komariyah (2023) <sup>[13]</sup> create the culture of the organisation. Culture is a pattern of shared tacit 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 to

perceive, think, and feel in relation to those problems (Cerulo *et al.*, 2021) <sup>[6]</sup>. Culture influences the selection of people for particular jobs, which in turn affects the way in which tasks are carried out and decisions are made (Storey, 2021) <sup>[21]</sup>. Therefore, with the word of organisation added to the culture, it can be defined as the patterns of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation’s history, and which tend to be manifested in its material arrangements and in the behaviours of its members (Xenikou, 2022) <sup>[26]</sup>.

**Organizational Strategy**

The term strategy, according to Hart (1967), is derived from the Greek strategos, which points to the “the art of the general”. The Harvard Business School has introduced the concept of strategy as a normative approach and strategy was defined as a situational art and as a creative act of integrating various complex decisions (Grant, 2021) <sup>[8]</sup>. Strategy, in Johnson *et al.* (202) <sup>[12]</sup> perspective, refers to determination of the fundamental long-term organisational goals and objectives, and the adoption of ways of action and the allocation of resources crucial to achieve these goals. Strategy is the key mechanism for drawing a new direction that will have an influence on organisational performance and structure.

**Employee Performance**

Awan *et al.* (2020) <sup>[5]</sup> reveals that: "Performance is a translation of performance which means the results of the work of an employee, a management process or an organization as a whole, where the results of the work must be shown in concrete and measurable evidence (compared to standards set by has been determined)." Atmaja *et al.* (2022) <sup>[4]</sup> refer to performance as the ability of individuals or groups to provide satisfactory results where they work in certain parts of work Van Waeyenberg *et al.* (2022) <sup>[24]</sup> view it as the result of work produced by employees or real behavior that is displayed according to their role in the organization.

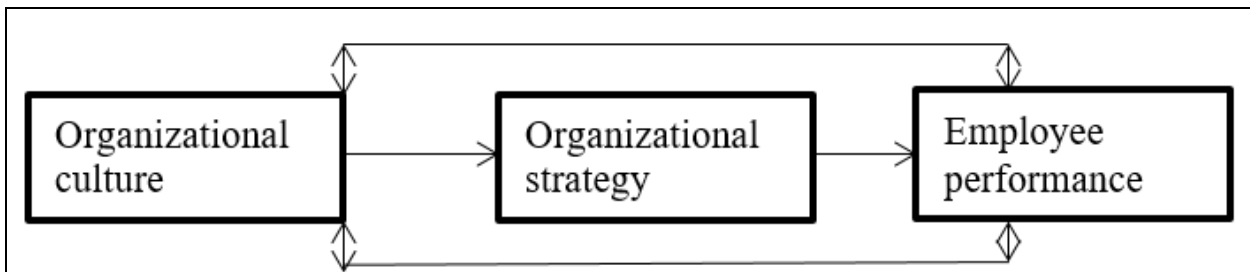
**Empirical Review of Literature on Organisational Culture, Employee Performance and Mediation Strategy**  
 Studies of Hafidzi *et al.* (2024) <sup>[10]</sup> stated that high-performance organisations usually have strong

organisational culture. Extant literature such as (Iskamto 2023 <sup>[11]</sup>; Nugraheni, 2024 <sup>[17]</sup>; Tannady & Budi, 2023) <sup>[23]</sup> demonstrated a strong relationship between organizational culture and employee performance. In buttressing this, Diana *et al.*, (2021) <sup>[7]</sup> shared Organizational culture namely; organisation values, organisation climate, leadership styles and work processes influence employee's performance. Since cultural values are observable and measurable, it can be compared directly between organisations, employees and organisational performance. However, the study of Wahjoedi, (2021) <sup>[25]</sup> found otherwise. In the study of Wahjoedi (2021) <sup>[25]</sup>, respondents thought organizational culture and work motivation had no direct significant effect on employee performance. A strong culture will help to align the elements required for effective implementation. In the views of Hafidzi *et al.* (2024) <sup>[10]</sup>, organizational strategy plays a significant role in employees’ performance. Organisational cultures should be accompanied by any changes in strategy’s organization; otherwise the strategy will probably be flawed (Johnson *et al.*, 2020) <sup>[12]</sup> leading to poor employee performance (Kuswati, 2020) <sup>[14]</sup>. In other hand, if supportive cultural arrangement is supported by right strategy, most likely the strategy will be succeeding (Johnson *et al.*, 2020) <sup>[12]</sup> and the attendance increase in performance is apparent (Nguyen *et al.*, 2020) <sup>[16]</sup>. In the study of Muafi (2021) <sup>[15]</sup>, organisational culture and organizational strategy were found to enhance employees’ performance. According to Muafi (2021) <sup>[15]</sup>, a good organizational culture stands to influence employees’ performance with a good fit in organizational strategy. Hence, the study hypothesizes that:

- H1:** there will be a significant positive relationship between organisational culture and employee performance
- H2:** there will be a significant positive relationship between organizational strategy and employee performance
- H3:** organizational strategy will mediate organisational culture and employee performance

**Conceptual Framework**

Figure 1 depicts the framework that relates the concepts and the central themes of the study. The conceptual framework establishes the association between organizational culture, organizational strategy, employee performance and also, the mediation role of organizational strategy.



Author’s Construct, 2024

**Fig 1:** Conceptual Frame work

**Methodology**

The descriptive cross-sectional survey research design was used for this study. In a descriptive cross-sectional survey research, the data are collected at one point in time for a sample selected to represent a larger population. According to Owens (2002), cross-sectional surveys make it possible

for a group of respondents to be asked a set of questions at one point in time  
 According to Kumeqpor (2002), population of a study refers to the number of all units of a phenomenon to be investigated that exists in the area of investigation. The

population for this study consisted of five public organizations in Ghana.

A sample is the actual unit selected out of the population for the study. 246 respondents were conveniently selected to represent the entire population. According to Dillman (2000), asserted a sample size more than hundred (100) is sufficient to provide a fair representation of the study population.

Within business and management research, the greatest use of questionnaires is made within the survey strategy (Saunders *et al.*, 2009). Standardized questionnaires were the principal instrument used to gather data from the respondents. The sources of data were both primary and secondary. Data analysis was carried out with the use of Statistical Package for Social Science version 23. Prior to the statistical analysis of the data collected, data cleaning and handling of missing values was done. Also, each questionnaire assigned to respondents was verified for completeness and consistency of response as well as incomplete questionnaires was excluded in the data entry. The Statistical Package for Social Science version 21. Saunders *et al.* (2009) referred to ethics as the appropriateness of a researcher’s behaviour in relation to the rights of those who become the subject of the work, or are affected by it. For this reason, respondents’ informed consent was solicited and was briefed on the purpose of the study by the researcher. Privacy and confidentiality of respondents was strictly observed.

**Results and discussion**

**Descriptive Characteristics of Respondents**

Both male and female staff of the five organizations was involved in this study. This was to ensure gender equity. From the results, the number of respondents who were male were 145(58.90%) while the females were 101(41.10%). Findings showed preponderance of male respondents than females. The results are in consonance with prior studies (Wahjoedi, 2021) [25].

The staff of the five organizations was of varied ages. The aged between 21 and 30 were 36 in number, the aged between 31 and 40 were the most populous 135 in number, 51 employees were aged between 41 and 50, whilst 24 employees were aged 51 or more.

On the education of respondents, 102 respondents hold a bachelor’s degree. 52 employees who hold a master’s degree, 31 employees hold a Higher National Diploma (HND), 55 hold professional certificates and 6 employees

hold some other form of academic qualification. The findings showed that the respondents have attained education, albeit varied levels with bachelor degree being the most. The employees involved in this study have been in office for varied periods of time. 80 have been in office for between 1-5 years, 93 have been in office for between 6-10 years, 48 of the employees have been in office for between 11-15 years whilst 25 of them, have been with the office for more than fifteen years.

**Reliability**

**Table 1: Model Summary**

Model	R	R2	Adjusted R2	Std. Error and Estimate
1	.865	.768	.784	.462

- a. **Predictors:** (Constant), organizational culture (independent variables), organizational strategy and employee performance (dependent variable)
- b. **Dependent variable:** organizational strategy and employee performance

From table 1, the statistics showed that the R value is 0.865 which implies that the independent variables are 86.5% correlating with dependent variable. The R2 value is 0.768 meaning that independent variables explain 76.8% variation of the dependent variable whilst the adjusted R2 variable is 0.784

**Table 2: ANOVA**

Models	Sum of squares	Df	Mean square	F	Sig.	
1	Regression	14.262	6	5.212	14.228	.000b
	Residual	12.642	68	.168		
	Total	26.904	74			

- a. **Predictors:** (Constant), organizational culture (independent variables), organizational strategy and employee performance (dependent variable)
- b. **Dependent variable:** organizational strategy and employee performance

From table 2, the statistics showed f-value to be 14.228 which is greater than mean value 4.54 as the p-value is 0.000 given the statistical model as 99%

**Table 3: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Constants	.864	.688		2.642	.002
	organizational culture	.754	.645	.862	2.862	.000
	organizational strategy	.822	.486	.788	2.484	.005
	organizational culture and organizational strategy	.848	.686	.886	2.268	.019

- c. **Predictors:** (Constant), organizational culture (independent variables), organizational strategy and employee performance (dependent variable)
- d. **Dependent variable:** organizational strategy and employee performance

**Hypothesis 1: there will be a significant positive relationship between organisational culture and employee performance**

The independent variable organizational culture beta value is 0.862 implying that the independent variable organizational culture explains 86.2% of the dependent

variable employee performance whilst about 13.8% is explained by other variables. The p-value is 0.000, which shows significant association of organizational culture and employee performance. Hence the first hypothesis *H1*: there will be a significant positive relationship between organisational culture and employee performance was accepted. The findings are in tandem with extant literature (Abdullahi *et al.*, 2021) <sup>[1]</sup>. In their study, Abdullahi *et al.* (2021) <sup>[1]</sup> found that, organizational culture had significant positive impact on employee performance. Culture influences the selection of people for particular jobs, which in turn affects the way in which tasks are carried out and decisions are made. With the right organizations culture, employees are bound to be influenced and hence affect their performance.

**Hypothesis 2: There will be a significant positive relationship between organizational strategy and employee performance**

The beta value for the independent variable organizational strategy is 0.788 depicting that the independent variable organizational strategy explains 78.8% of the dependent variable employee performance whilst about 21.2% is explained by other variables. The p-value is 0.005, which shows significant association of organizational strategy and employee performance. As a result, the study's second hypothesis *H2*: *there will be a significant positive relationship between organizational strategy and employee performance* was accepted. The findings of the study support prior research (Nguyen *et al.*, 2020) <sup>[16]</sup>. Nguyen *et al.* (2020) <sup>[16]</sup> posited that when the right strategy of the organization is implemented, its attendance in employees' performance becomes apparent. In the study of Muafi (2021) <sup>[15]</sup>, organizational strategy was found to enhance employees' performance.

**Hypothesis 3: Organizational strategy will mediate organisational culture and employee performance**

The independent variable organizational strategy mediate organisational culture and employee performance at a beta value is 0.886 implying that organizational strategy explains 88.6% mediation of organisational culture and employee performance whilst about 11.4% is mediated by other variables. The p-value is 0.019, which demonstrates significant mediation of organizational strategy and employee performance. Therefore, the study's hypothesis *H3*: *organizational strategy will mediate organisational culture and employee performance* was accepted. According to Muafi (2021) <sup>[15]</sup>, a good organizational culture stands to influence employees' performance with a good fit in organizational strategy. The study also corroborates the work of Hadiyat (2023). Hadiyat (2023) study found out a relationship between organizational culture, organizational strategy and employee performance.

**Managerial Implications and Direction for future studies**  
**Managerial Implications**

**The study has some managerial implications**

Management should build a healthy culture that promotes a positive structured work environment to help improve employees' performance and success. A work environment that possesses organizational culture is driven by purpose and clear expectation. Therefore, the managers should have a clear and unambiguous culture with a purpose in order to

expect positive results from employees. Unambiguous culture with a purpose has the potential to motivate and inspire employees to be more engaged in their work duties and interactions with other staff. This leads to high levels of workforce engagement which drives performance. Also, a clear culture that unifies employees should be the focus. Having a clear culture that unifies employees and promotes organized work structures helps employees work together with purpose

Additionally, management should ensure that the built organizational culture helps improve workflows and guides the decision-making process. This will assist teams overcome barriers of ambiguity. Team members who are well informed and knowledgeable about certain processes are often more motivated to complete set targets.

More so, in order to be successful, the culture of the organization should be built to support the strategy of the organization to enhance performances of the employees. Management should ensure that the organizational strategy is built in such a way that it puts employees on the same page and platform. Management should ensure that the organizational strategy is assisting in determine where to spend money, human capital and time to bring about desired performance.

**Direction for Future Studies**

The study examines the effects of organisational culture on public sector employees' performance in Nigeria with the mediating role of strategy. This is pure a quantitative approach and future study could look at qualitatively with a bigger sample size.

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