

Organizational Culture and Dynamic Capabilities: Empirical Evidence from Stanel World Anambra State, Nigeria.

¹OJUKWU, Henry Sonna, ²UGBECHIE, Kingsley Chibuike, ³NWANKWO, Nkechi Catherine
^{1,2,3} Department of Business Administration

^{1,3} Nnamdi Azikiwe University, Awka, ² University of Benin, Benin City, Nigeria
Email – ¹hs.ojukwu@unizik.edu.ng ²chibuike.ugbechie@mgtsi.uniben.edu

Abstract: *This study has been set out to empirically review organizational culture and dynamic capabilities in Stanel World Awka. The population of the study consists of 78 employees of which the researcher made use of the entire population as the sample since it was of a manageable size. The study utilized Pearson product moment correlation coefficient in analyzing the data with the aid of statistical package for social science version 22. The result of the study shows that Stanel World Awka has trained itself in the aspect of being able to take advantage of opportunities that exist in its environment, by reason of it being proactive in its quest of operating a dynamic system that meets the demand of the changing business environment. The study concludes that the need to be dynamically capable cannot be overemphasized if an organization intends to remain competitive in Business. The study among other things recommends that there is need for organizations to adopt the approach of being a learning organization because the moment learning stops or ends, death or doom is inevitable.*

Key Words: *Organizational Culture, Business Environment, Dynamics, Dynamic Capabilities.*

1. INTRODUCTION:

Generally speaking, human beings, and probably even animals, are born into an already existing culture. Looking at human beings, once given birth to, their parents kick start the task of training and coaching them on the behavior expected of them; with the intention of ensuring that the one being nurtured will do same to its children when the time for reproduction approaches. Same thing can be said of animals in that they bring up their younger ones in a certain way in which these younger ones will do same to their prospective younger ones when the time is due. Perusing through the above, one can simply deduce that culture is a cyclical way of life. Culture to a large extent can be learned through observation, training, and instinct. Culture in itself exists in all settings where life abounds. Culture exists in families, churches, mosques, schools, and in any form of human organization. This simply means that for a business organization to optimally conduct its activities successfully, the need to have a laid down culture cannot be over emphasized. To an Organization, culture is a model of belief, value and knowledgeable ways of dealing with experiences that have evolved and developed during the course of an organization's existence, which is been seen in the way it arrange materials in the organization, as well as in the behaviors exhibited by its members (Twati & Gammack, 2006). The adoption of a certain culture by organizations is simply not by accident but as a result of unprecedented success attained by these organizations. Emeka and Philemon (2012) posit that the current pattern, in which an organization conducts its activities, is as a result of the degree of success it has recorded in the past by adopting the current pattern. Organizational culture is the aggregate sum of the processes involved in an organization such as the physical settings, rites and rituals, and values of the organization which is manifested in the values and beliefs shared by employees in an organization (Raza, Mehmood, & Sajjid, 2013). Organizational culture came as a result of the ever changing and challenging business environment which poses threats as well as opportunities to focal organization.

The environment, in which organizations exist in, is a turbulent and a dynamic one, which from time to time tends to thwart the culture existing in an organization. The ability of an organization to look into its existing culture with the view of adjusting its controllable elements to suit the demands of the environment means the extent to which its culture or ways of operation is dynamic. This process of an organization trying to adjust its controllable elements is referred to as dynamic capability; which simply means the ability of an organization to change its strategy in the face of challenges. The dynamic capability of an organization, to a large extent serves as a wellspring of competitive advantage. Knowing that the average expected period which organizations are expected to attain and sustain competitive advantage over other competitors seems to be decreasing over the years (Wiggins & Ruefli, 2005), academics and business practitioners seems to have intensified interest in the subject matter. The study of Liu and Li (2014) on 217 firms reveals that a significant positive relationship exists between dynamic capabilities and competitive advantage, and that the dynamism that exists in every business environment is an important driver.

In relating organizational culture and dynamics to our study organization which is Stanel world; Stanel world Awka is a subsidiary of Stanel Group which houses so many other outlets within the same arena. Some of these outlets

include; its Oil and Gas section, food and beverages, farmers market where fresh farm produce are being sold, car wash, tire centre, oil change centre, event centre, laundry service, karaoke bar, as well as its body treatment and Spa. Stanel world Awka started its operation in 2017 and has been in existence for about a year and few months. Knowing that the services Stanel world renders to its customers are being rendered elsewhere in Awka even at a cheaper cost compared to the high bills Stanel World charges its customers, this seems not to have changed the quantum of loyalty this organization is getting from its customers. It is to this end therefore; that this present study aims to critically ascertain the type of relationship existing between Dynamic capabilities and the organizational culture in Stanel World, Awka. In guiding this study, the research question and hypothesis were formulated as; to what do Dynamic capabilities affect the organizational culture of Stanel World Awka? H_A: dynamic capabilities positively affect the organizational culture of Stanel World, Awka.

2. REVIEW OF RELATED LITERATURE:

2.1. Conceptual Review:

Organizational culture can be seen as being a shared belief and value system within an organizations, which supports in molding the behavioral pattern of employees towards behaviors approved of by their organization (Kotter & Heskett, 1992). It is a set of shared mental propositions that guide the pattern of interpreting events, as well as employees' action in organizations by being specific and stating appropriate behavior necessary for various situations (Ravasi & Schuttz, 2012). The culture of organization can be seen as its collective belief systems, rules, ideologies, as well as its myths and unique organizational rituals (Zakari, Poku, & Owusu-Ansah, 2013). The culture of organizations to a reasonable extent serves as a form of its competitive advantage in that it creates a distinctive mind set in employees so as to get these employees to behave and act in a way that will best serve the interest of their organization. A well lay down and simplified culture can be a motivator to employees as it could be an avenue for ascertaining and sustaining organizational efficiency and effectiveness among employees (Sudarsanam, 2010). To Nelson and Quick (2011), organizational culture is expected to perform the following functions which include; giving organizational participants a sense of identity, increasing employees' commitment level towards their organization, reinforcing and ensuring compliance of employees towards organizational value system, and finally, serving as a control mechanism for shaping employees behavior. In assessing and ascertaining the result of implementation of organizational culture, different opinions as that been given by experts include that of McKenna and Beech (2000) when they posit that organizational culture is categorized into several components, such as; (a) Business philosophy, which guides formulation and implementation of organizational policies by having the interest of their clients and employees in focus; (b) Distinctive values held by organizations; (c) norms or rules that is applicable at workplace; (d) rules that guides how employees ought to relate in their organization which must be imbibed so as to know how best to relate well with new members as well welcoming these new members properly. Robbins (1996: 209) in his study posits that organizational culture can be measured by taking a view at the following characteristics, namely; (a) Innovativeness and the courage to take risks; this explains the degree to which organizations encourage its members to explore and discover new ways of doing things by taking probably maybe calculated risks so as to build their risk taking ability which may be beneficial to the overall performance of their organization; (b) The attention to detail; this explains the need for employees to execute their task with the needed amount of precision by paying keen attention to technicalities; (c) Focused towards result explains the degree to which an organization is focused on results as well as paying keen attention to the techniques and processes employed in achieving the results by keeping tab of the culture of the organization; (d) Emphasis on People is the step taken by the management of an organization to ensure that the decisions made does take into consideration, the effect of these decisions on the human element of the organization; (e) The need to encourage teamwork cannot be over emphasized in an organization because work activities that are organized around teams, encourages and support co-operation among group members; (f) Aggressiveness is the degree to which competitive organizations employs unique techniques in exploiting opportunities but outperforming their competitors (g) Stability is the likelihood of organizations to adopt the characteristics of a bureaucratic organization by being predictable and rule-oriented.

A look into the extent to which the culture of an organization is dynamic also shows how competitive such an organization is. The dynamic capabilities view developed by David Teece, Gary Pisano, and Amy Shuen in 1997, came into existence as an attempt was made to untangle the difficulty in attaining and sustaining competitive advantage over competitors in today's dynamic business environment (Eisenhardt & Martin, 2000 in Teece, Pisano & Shuen, 1997). The underlying tenet is that organizations, which are able to sense and seize opportunities and that, are able to reconfigure their rare resource and unique capabilities in line with recognized opportunities and environmental change can create and sustain a competitive edge by carving out a niche for itself over other of its competitors (Teece, 2012). From an analytical point of view, dynamic capabilities can be grouped into three classes (1) sensing capability (2) sensing capability, and (3) reconfiguring capability (Teece, 2007). *The sensing capability* holds that firms should scan within and outside of its boundaries so as to be able to identify opportunities that abound. Practices that consists

sensing capability include activity of scanning the environment for new product to invent or exploring market needs. Practices in the Research and Development process enables the creation of new or modification of new ideas that result in understanding and appreciating technological breakthrough (Breznik & Lahovnik, 2016). *Seizing capability* means selecting the right type of technology and recognizing and retaining target clients. Opportunities that are sensed and seized should be reconfigured, this means that *reconfiguring capability* explains the ability to recombine and reconfigure the resource base of an organization so as to address challenges and opportunities in a firm's Business environment.

2.2. Theoretical Underpinning:

This study is anchored on Thomas Peters and Robert Waterman theory of organizational excellence which they propounded in 2006. The theory states that organizational culture is associated with the success of best-run American organizations which are characterized by the following qualities; close relationship with customers; autonomy and entrepreneurship; increasing productivity level through people; value-driven effort; sticking together; organizational simplicity and sustaining a lean staff.

2.3. Empirical Review:

Agwu (2014) conducted a study on organizational culture and performance of employees' among the staff of National Agency for Food and Drugs Administration and Control (NAFDAC) Nigeria. Descriptive survey design was employed for the study. 420 NAFDAC staff were used for the study which was randomly selected from 6 zones of which 36 offices of NAFDAC were specifically selected for the study. Analysis of Variance (ANOVA) was used in testing the formulated hypotheses that guided the study. The result revealed that a significant positive relationship exists between organizational culture and increased employee commitment in the establishment. The researcher recommends that the condition of service of employees in NAFDAC should be reviewed on regular basis so as to ensure high level of staff morale, increased autonomy in decision making as well as sustained discipline in the fight against adulterated drugs. Henry- Syauta, Afnan- Troena and Setiawan (2012) examined the Influence of Organizational Culture on Employee Performance using the employees of Municipal Waterworks in Indonesia. Data collected for the study was done through the administration of a structured questionnaire. 127 employees were used for the study. The researcher made use of descriptive analysis to describe the distribution of the respondents; While Partial Least Square method and sober test were used in testing the formulated hypotheses. The result revealed that organizational culture does not impact positively or negatively on employee performance. The study therefore suggests that Organizational culture will be able to influence performance if it is mediated by job satisfaction, while organizational commitment will impact on employee performance through perceived job satisfaction.

Awolowo (2003) investigated the multidimensional effect of culture on employee Performance in selected textile firms in Lagos, Delta and Kano in Nigeria. Data for the study were collected using qualitative (interviews and observations) and quantitative (structured copies of questionnaire and documents) means. The result of the study reveals that irrespective of the cultural backgrounds of workers in the industry, these workers appeared to have acclimatized themselves with the behavioral pattern as specified by the industry. The results of the analysis on cultural variables shows a high level of commitment to task, low level of labor turnover intention and employee absenteeism, positive beliefs about work, positive work values, attitudes, and norms in all the firms studied.

Wolfgang (2013) investigated the impact of organizational culture on employee commitment using Information Training service industry India. Data were collected from 291 Indian information technology executives and managers working for two IT services providers in Pune and Bangalore, India. The analysis of data was done using descriptive and inferential statistics were used together with multiple regression and confirmatory factor analysis. The results of data analysis exhibit that, among organizational culture dimensions, in-group collectivism and performance orientation are the antecedents have the most significant effect on employee commitment. Other culture dimensions reveal varying degree of positive and negative influence on employee commitment. The data analysis also indicates that there is a significant positive relationship existing between affective and normative commitment in the Indian context as when compared to other North American studies. The study therefore recommends that organizational culture should be seen as a key factor in understanding and influencing the overall commitment levels in organizations among firms in India's IT services industry which is also deemed important for the long-term effectiveness and efficiency for service delivery. Having reviewed literatures, there is therefore need to conduct this study on Stanel world Awka knowing that no study of this such has been conducted in this organization before due to the fact that this organization is barely two years old. This present study aims to bridge this gap in knowledge by empirically reviewing organizational culture and its dynamics in Stanel Group Awka.

3. METHODOLOGY:

3.1. Research design, Population of the Study, and Sampling:

The study adopted a correlation survey design which was used to ascertain the magnitude of relationship existing between the identified variables. The population of Stanel World Awka is 78, which consists of both the junior and senior staff of the establishment. Since the population is of a manageable size, the researcher utilized the entire population, that is, complete enumeration. The researcher made use of a structured questionnaire ranging from Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree.

3.2. Reliability of the Instrument:

In testing the research instrument (Questionnaire), for internal consistency, Cronbach alpha was used. The alpha Cronbach reliability test yielded values of over 0.60, which means that all the constructs showed adequate reliability and validity. Table 3.1.1 presents the alpha Cronbach for all the constructs.

Table 3.1.1: Feedback on Organizational Culture and Dynamic Capability

Construct	Items	Alpha Cronbach
Organizational Culture	Policies are formulated by having the interest of employees and clients in focus	0.983
	My organization encourages workers to relate well with one another	
	I am always encouraged by my organization to take risk	
	I know how my organization expects me to behave in every situation	
Dynamic Capabilities	My organization knows how to identify opportunities and taking advantage of them	0.947
	My organization is good in recognizing and keeping new customers	
	Whenever things are changing in the environment, my organization knows what to do immediately	

Source: SPSS 22.0 Data Output

3.2. Method of Data Analysis:

Pearson’s Product Moment Correlation Coefficient was employed in testing the type of relationship existing between the variables, while Regression analysis was used to test the effect of Dynamic capabilities on organizational culture through the application of Statistical Package for Social Sciences version 22.

4. Data Presentation and Analysis:

A total of seventy eight (78) copies of questionnaire containing seven (7) statements were administered to research participants. As evidenced in Table 4.1.1 below, out of 78 copies of questionnaire administered, 70 were fully completed while 8 were termed as invalid; thus, showing a response rate of 88.61%. Eight (8) questionnaires (11.39%) were not fully completed and thus were discarded.

Table 4.1.1: Distribution of Respondents

No of Sent Questionnaire	No Fully Completed	No Not Fully Completed	% of Fully Completed	% of Not Fully Completed
78	70	8	88.61	11.39

Source: Researcher’s Field Survey January, 2018

4.1. Educational Qualification of Research Participants:

Table 4.1.2 presents the educational level of research participants. 10% of the respondents had primary education, while 23.86% hold WAEC/SSCE and 30% have a Diploma/NCE, while 31.43% hold a B.Sc./HND and 5.71% a PGD/M.Sc./Ph.D.

Table 4.1.2: Educational Qualification of Research participants

Educational Qualification	Respondents	Percentage of Respondents
Primary Education	7	10.00
WASSCE/SSCE	16	22.86
Diploma/NCE	21	30.00
BSc/HND	22	31.43
PDG/MSc/PhD	4	5.71
Total	70	100

Source: Researcher’s Field Survey January, 2018

4.2. Test of Relationship using Pearson Product Moment Correlation Coefficient:

Decision Criteria: If the p-value of dynamic capabilities is less than 0.05 (5% level of significance), the null hypothesis is rejected and the alternate hypothesis accepted. On the other hand, if the p-value is greater than 0.05 (5% level of significance), the null hypothesis is accepted and the alternate hypothesis rejected.

		Organizational Culture	Dynamic Capability
Organizational Culture	Pearson Correlation	1	.997**
	Sig. (2-tailed)		.000
	N	5	5
Dynamic Capability	Pearson Correlation	.997**	1
	Sig. (2-tailed)	.000	
	N	5	5
** <i>. Correlation is significant at the 0.01 level (2-tailed).</i>			

From the above table, it shows that the P-Value of 0.000 is less than the alpha value of 0.05, which leads to the rejection of the null hypothesis and the acceptance of the alternate hypothesis which simply means that Dynamic Capabilities has greatly impacted positively on the organizational culture of Stanel World Awka. In summary, it depicts that there is strong positive significant relationship between organizational culture and dynamic capabilities.

4.3. Ordinary Least Square Regression was employed to test the effect of Dynamic Capability on Organizational culture in Stanel World:

Adjusted R squared is the coefficient which tells us the changes in the dependent variable due to fluctuation in the independent variable. As shown in Table 4.1.4, the value of adjusted R squared is 0.992, which indicates that there would be variation of 99.2% in organizational culture owing to changes in dynamic capability. R is the correlation coefficient which shows the relationship between the variables; there was a strong positive relationship between organizational culture and dynamic capability (0.994).

R	R Square	Adjusted Square	R	Std. Error of the Estimate
.997 ^a	.994	.992		1.76950
<i>Source: SPSS 22.0 Data Output</i>				

5. CONCLUSION AND RECOMMENDATION:

Organization culture and dynamics has been the focus of this study. The need for an organization to be dynamic in its operations goes a long way in affecting its culture positively. Reason being that the environment in which an organization operates in is one that is unstable and turbulent; thus, for an organization to cope with this type of turbulent environment, its needs to be able to configure and reconfigure its own internal capabilities that are dynamic and rare so as to ensure that it can successfully match the demand of the environment. The researcher therefore recommends that organizations should adopt the approach of being a learning organization because the moment learning stops or ends, death or doom is inevitable. By learning, the researcher means that an organization ought to develops its ability to increase its knowledge base which on the long-run will impact positively on the overall performance of an organization. And since no organization is established to be closed up, there is therefore need for organizations to learn and improve on the things that will place it at a competitive position within the industry it operates in over other competitors.

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Questionnaire:

S/N	ORGANIZATIONAL CULTURE AND DYNAMICS	SA	A	UD	D	SD
1.	Policies are formulated by having the interest of employees and clients in mind.					
2.	My organization encourages the workers to relate well with one another.					
3.	I am always encouraged by my organization to take risk.					
4.	I know how my organization expects me to behave in every situation.					
5.	My organization is good in recognizing and keeping new customers.					
6.	Whenever things are changing in the environment, my organization knows what to do immediately.					