

**THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE
AND GROWTH, A CASE STUDY OF SPEKE RESORT
MUNYONYO COMMON WEALTH**

BY

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DECLARATION A

"This research report is my original work and has not been presented for a Degree or any other Academic award in any university or Institution of learning".

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DECLARATION B

"I confirm that the work reported in this research report was carried out by the candidate under my supervision".

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Date



Signature

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May the good lord bless you all abundantly.

LIST OF ACRONYMS

SPMS	Strategic Performance Measurement System
SR	Speke Resort
CHOGM	Commonwealth Heads of Government Meeting
BSC	Balance Scorecard
SPSS	Statistical Package for Social Scientists
(r)	Coefficient of Correlation

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ABSTRACT

The concept of organizational culture has drawn attention to the long-neglected, subjective or 'soft' side of organizational life. Many aspects of organizational Culture have not received much attention. It was against this background that research was carried out under the title "The effect of organizational culture on employee performance and growth" a case for Speke Resort Munyonyo. The study was guided by objectives mainly to establish the relationship between organizational culture and employee performance and growth, to examine the relationship between employee performance growth and service quality in SR Munyonyo commonwealth.

Guided by the research objectives/questions, related literature indicated that, there is a significant relationship between organizational culture and employee performance. This was evident as according to Crosby (1991) and other scholars like Brooks (2006), another (Hofstede 2001) and Alvesson (2005) concur that employee performance is reflected in seeing a satisfied employee and customer.

Chapter three of this study clearly brought out the methodology used so as to come up with accurate data to which the findings would be based. Purposive and convenience sampling techniques were used in the selection of the sample size. The population of study comprised of SR's 12 branches. Manager, staff and customer of these branches as part of the study. This sample size was considered manageable and representative of the study. Data was collected from both primary and secondary sources. In measuring the study variables the Linkert scale and Intermixed rating scale were used since they were behavioral aspects.

In regard to the study objectives, Findings indicated a positive significant relationship between organizational culture and service quality. Having an encouraging routine work schedule, smart decision making process, and an efficient hierarchical management style determines the nature of performance employees are likely to have towards the institution. Therefore the capacity of SR Munyonyo employees and management to show politeness to customer and be able to come up with new ideas, will result into a situation where by the employees feel they should continue working for SR Munyonyo and are a part of the institution's family. This was evident by 65% figure of organizational cultures variance and 67% of employee performance variance.

In conclusion, it was true that the culture of any organisation impacts on the performance of its employees. However due to the limitations of the study the research recommends that further research can still be done on the same and other related areas like the relationship between organizational culture and service quality.

CHAPTER ONE

INTRODUCTION

1.1 Background

Organizational culture is that set of beliefs, values, work styles and relationships that distinguish one organization from another (Hofstede 2001). Alvesson (2005) deconstructs work styles in organizational culture into power oriented culture which is characterized by strong emphasis on the hierarchy and an orientation towards the person and role oriented culture which symbolizes the typical bureaucracy a tall organization narrow at the top and wide at the base where roles and tasks are clearly defined and coordinated from the top. (Bolton et al, 2000).

Instead, emphasis has been placed primarily on the cultural and symbolic aspects that are relevant in an instrumental/pragmatic context. The technical cognitive interest prevails. Culture then is treated as an object of management action. In this regard, organizational culture often takes the organization not as a natural solution to deep and universal forces but rather as a rational instrument designed by top management to shape the behavior of the employees in purposive ways. This was observed in most of the hospitality industry, especially in the Speke Resort (SR). Accordingly, much research on corporate culture and organizational symbolism is dominated by a preoccupation with a limited set of meanings, symbols, values, and ideas presumed to be manageable and directly related to effectiveness and performance. This is in many ways understandable, but there are two major problems following from this emphasis. One is that many aspects of organizational culture are simply disregarded.

It seems strange that the (major part of the) literature should generally disregard such values as bureaucratic-'meritocratic' hierarchy, unequal distribution of privileges and rewards, a mixture of individualism and conformity, male domination, emphasis on money, economic growth, consumerism, advanced technology, exploitation of nature, and the equation of economic criteria with rationality. Instrumental reason dominates;

quantifiable values and the optimization of means for the attainment of pre-given ends define rationality (Horkheimer and Adorno, 1947; Marcuse, 1964).

So organization's wants to get the loyalty of their employees towards organization. The complete knowledge and awareness of organizational culture should help to improve the ability to examine the behavior of organization which assists to manage and lead (Brooks, 2006). Pettigrew (1979) was used the term "organizational culture" first time in the academic literature for his study in the journal of "Administrative Science Quarterly". It is necessary for the management to identify the norms and values of the organization of the employees. It should be needed that culture of the organization should be developed in a way to improve the style of employee's performance and continuous develop the quality awareness.

Employee performance in SR Munyonyo is lacking, this has led to unsatisfactory quality of service, most employees focus is on selling their service and the attraction and fulfillment of one time sales only, yet in today's competitive market customer choice has increased and it has become difficult for companies to assume that there exists an unlimited customer base prepared to maintain patronage (Kandam polly and Duddy 2003).

The prevailing hierarchical organizational structure at SR Munyonyo partly derails decision making processes, for example, employees are required to perform their tasks as required by their supervisor SR or have to seek guidance and approval on decision making this tends to derail the work processes.

Suggestions of new ideas and innovative ways of doing work are suppressed, for example, when Credit Office SR raise the problems they face during loan recovery to Management and propose better practical ways of loan recovery, no action is taken (Credit Officers weekly meeting minutes January 2010).

The aforementioned increment in customer choice implies that as customer SR become more demanding companies must revisit their culture, performance of employees and quality of service to ensure customer retention and hence compete effectively.

1.2 Statement of the Problem

The nature of organizational culture (slow decision making, hierarchical management style, and emphasis on bureaucracy) and lack of employee performance existing in SR Munyonyo weakens the quality of service; this may explain the failure to retain good clients. Performance appraisal is an important aspect in the area of management.

Speke Resort Munyonyo Commonwealth uses a large range of performance techniques ranging from downward to top where even the subordinate employees are rendered a chance to appraise their superiors in specific or all aspects of their job related issues besides the top to-bottom approach popularly known and used for employee to appraise their subordinates and finally the horizontal approach where the managers and employees are given an opportunity to evaluate their fellow job line colleagues. This approach though little impact has been realized of them in regards to organizational culture improvement Speke Resort Munyonyo Commonwealth has to help them to attain the intended goals.

Organizational culture thinking in organizations but also in academia tend to take this for granted. The values and ideas to which organizational culture research pays attention are primarily connected with the means and operations employed to achieve pre-defined and unquestioned goals.

A second problem is that subordinating organizational culture thinking to narrowly define instrumental concerns also reduces the potential of culture to aid managerial action in the Speke Resort. It is against this background that the researcher was therefore inspired to investigate on the effect of organizational culture on employees'

performance and growth taking Speke Resort Munyonyo Commonwealth as a case study area.

1.3 Purpose of the Study

The purpose of the study was to investigate the effect of organizational culture on employees' performance and growth, and Speke resort Munyonyo Common Wealth.

1.4 Research Objectives

The following were the objectives of our research study:

1. To establish the relationship between organizational culture and employee performance growth at SR Munyonyo commonwealth.
2. To examine the relationship between employee performance and growth and service quality in SR Munyonyo commonwealth.
3. To examine the relationship between organizational culture and service quality at SR Munyonyo commonwealth.

1.5 Research Questions

1. What is the relationship between organizational culture and service quality in the Resort?
2. What is the relationship between employee performance growth and service quality in the Speke Resort Munyonyo commonwealth?
3. Is there any relationship between organizational culture and employee performance growth?

1.6 Significance / Justification

The study's findings will contribute to:

Provision of knowledge about the impact of organizational culture on the effective employees' performance growth, a case study of Speke resort Munyonyo Common Wealth.

The findings of this research could be used by SR Munyonyo to improve on its effort to retain its clients

Other Hospitality companies may use these findings to improve their performance.

Study will contribute to the already existing literature on organizational culture, employee employees' performance growth,

1.7 Scope of the study

1.7.1 Conceptual scope

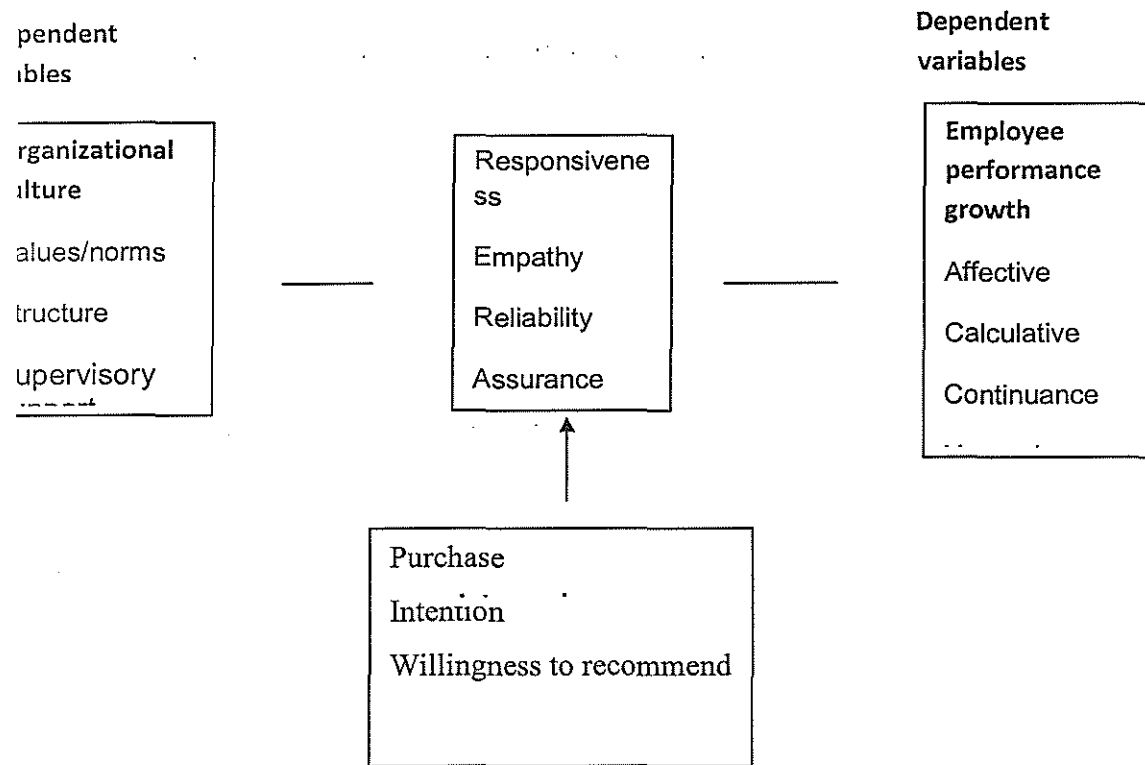
The study examined the relationship between organizational culture (independent variables) and employees' performance and growth (as the dependent variable) at SR Munyonyo Commonwealth.

1.7.2 Geographical Scope

The study was carried out in Speke Resort Munyonyo Commonwealth Speke Resort located near Kampala, the capital city of the republic of Uganda. This was built for the 2007 Commonwealth Heads of Government Meeting (CHOGM) and was used as the retreat where the visiting Presidents and Prime ministers lived during the conference. It has now reached one hundred twelve (112) five star bed rooms and suites offering the ultimate in luxury leisure and conference facilities in East Africa.

1.8 Conceptual Frame Work

Figure 1: Conceptual Frame Work



Source: Self conceptualized as guided by review of related literature

Description

The model explains the relationship and effects of the variables under study that is organizational culture, performance of employees. The model explains that organizational culture that is based on a hierarchical management style, leaders who are slow at decision making, limited supervisory support coupled with low employee performance deter offering satisfactory service quality, this leads to low customer retention. If the organizational culture is favorable, employees performance will be high and they will in turn offer good service quality to the customers this will lead to customer retention. The nature of organizational culture has a direct influence on employee performance growth, service quality and customer retention. If the culture in

an organization is built to enhance employee performance and service quality is emphasized, customer retention will be derived. Customer retention in most cases leads to reduced costs, increased repeat purchases, customer referrals, profitability, self-sufficiency and sustainability of the hotel.

1.9 Rational definitions

Culture

Culture is an arrangement of different attributes that express an organization and differentiate the firm from another one (Forehand and von Gilmer, 1964). According to Hofstede (1980), culture is the collective thinking of minds which create a difference between the members of one group from another. As per Schein (1990), defines culture is set of different values and behavior that may consider to guide to success. According to the Kotter and Heskett (1992), culture means fairly established set of beliefs, behavior and values of society contain generally. In simple words we can understand that culture is gained knowledge, explanations, values, beliefs, communication and behavior of large group of people, at the same time and same place

Counter Culture

Shared beliefs and values which are directly opposite to the values and beliefs of the broader organizational culture recognized as countercultures, it is mostly formed around a forceful manager or leader (Kerr, J., & Slocum, J. W., Jr. 2005). This type of culture may be bearded by the firm whenever positively contributing to the improvement of the organizational performance. But it is considered as a danger for the original organizational culture.

Sub Culture

According to Schein (1995), subculture is the segments of culture which show different norms, values, beliefs and behavior of people due to difference in geographical areas or departmental goal and job requirements (within organization). Perception of employees about subculture was connected to employee's performance towards the organization (Lok, Westwood and Crawford, 2005). Some groups may have a similar enough culture within to allow for social interaction outside the workplace.

Strong Culture

Culture of organization is considered strong, where the greater part of the employees holds the same type of beliefs and values as concern to the organization. Culture of organization is believed strong, where the greater part of the employees embraced the same sort of beliefs and values as concern to the organization (Deal and Kennedy, 1982). They agreed that managers should try to reduce the gap between employees to develop a strong relationship. Management also considered that employees are more important than rules in the organization.

Weak Culture

A weak culture of organization could be one that is loosely knit. Some time it may push individual thought, contributions and in a company that needs to grow through innovation, it could be a valuable asset, sometime not. According to Deal and Kennedy (1982), a weak culture of organization could be one of that is loosely joined. Rules are imposed strictly on the employees that may create diversity between the person's personal objectives and organizational goals.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

Organizational culture has increasingly gained recognition in both the academic and public circles. Much attention and debates have been focused on the way it relates to employee performance and growth to influence customer retention. In this chapter, the concepts of organizational culture, employee performance and growth, service quality and their relationship with each other are examined. Existing literature was reviewed in line with the study objective to establish relevance the thoughts of different scholars on the topic under study.

2.1 Organizational Culture

2.1.1 Characteristics of organizational culture:

According to Dasanayaka and Mahakalanda (2008), maximizing employee's values are considered as rational assets that required a culture to support their logical participation both for individual and organizational learning, new knowledge formation and readiness to share with others. In agreement to the above, Schein (1992), adds that organizational culture is very important today as compared with past.

Relatedly, Hodgetts and Luthans (2003), define some of the characteristics of the organizational culture:

1. Norms are measured by things like as amount of work done and also the level of cooperation between management and employees of the organization.

Clearly rules are defined for employee's behavior associated to the productivity, intergroup cooperation and customer relationship.

3. Observed behavioral regularities, as illustrate common language and formal procedures

4. Coordination and integration between the organizational units for the purpose of improvement in efficiency to works, quality and speed of designing, manufacturing the products and services.

2.1.2 Dimensions of organizational culture:

Hofstede's (1980), used the gathered data from IBM employees more than 50 countries and classified organizational culture into four dimensions;

- Power distance (the degree in which employees and management have distant relationship, formal and informal)
- Individualism (the degree in which people may create difference between interest of organization and self interest)
- Uncertainty avoidance (the level in which people are willing to mitigate the uncertainty and tolerant of ambiguity)
- Masculinity (the level in which define the success as ambition, challenge and insolence, rather than caring and promotion)

In a related development, a study conducted by Hofstede & Bond (1998), added a fifth dimension as short term versus long term orientation which based on the study among the student of 23 countries with the help of questioner. However, the scholars and practitioners related with the field of organizational behavior have a strong criticism on the Hofstadter's study (Sondergaard, 1994). Schwartz (1994) builds a cultural value signifying the relationship among cultural factors and personality in the organization. He developed a model which is based on the Hofstede's (1980) studies and collected data from the respondents of 38 countries. He fined two different dimensions of culture; affective & intellectual and self enhancement vs self-transcendence. He categorizes cultural standards of societies into contractual culture and relationship culture on the basis of life and work.

Trompănaa SR (1993), involved 30 companies in 50 different countries, identified seven dimensions of the culture which are universalism versus particularize; diffuse versus specific, neutral versus emotional, individualism versus communication, ascription versus achievement, attitude to time and last one is attitude to the environment. This

seven dimensions model may support well for Hofstede's model. Organizational culture refers to the shared perceptions of organizational work practices within organizational units that may differ from other organizational units (Van den Beg & Wilderom, 2004). It is the interdependent set of shared values and ways of behaving that are common to the organization and tend to perpetuate themselves. (Kotter & Heskett 1992 cited in Ogaard LaSRen, & Manburg, 2005). Schein (1992) defines it as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration.

At the deeper and less visible level, culture refer to the values that are shared by the people in a group and that tend to persist over time even when group membership changes.

At the more visible level, culture represents the behavior, patterns or style of an organization that new employees are automatically encouraged to follow by their fellow employees.

Schein (1990) states that culture can be defined as:

- a) A pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and therefore, is to be taught to new member as well (f) correct way to perceive, think and feel in relation to those problems.

A pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide those terms of behavior in the organization (Deshpande and Webster, 1989)

Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization member and their behaviors. Member of an organization soon come to

sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it for example, the culture of a large profit corporate organization is quite different from that of a hospital which is quite different from that of a University. One can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, and what members wear.

Corporate Culture can be looked at as a system. Input includes feedback from for example society, professions, laws, stories, heroes, values on competition or service, etc. The process is based on assumptions, values and norms, for example values on money, time, facilities, space and people. Output or effects of culture include organizational behavior, technologies, strategies, image, products, services and appearance. Some organizations have very strong cultures, which mean that the core values are intensely held and widely shared within the organization.

Strong cultures have a great influence on the performance of staff. Religious organizations, clubs, sporting teams and Japanese companies are examples of organizations with strong cultures. In large organizations, there are often sub-cultures which are shaped by the different circumstances and values within the smaller departments and teams within the organization. The core or dominant culture of an organization is modified and added to by the values within these sub-sectors.

Organizational Culture affects the way in which people consciously and subconsciously think, make decisions and ultimately the way in which they perceive, feel and act (Lok & Crawford, 2004; Hansen & Wernerfelt 1989; Schein, 1990). Schein (1992) proposed three levels of organizational culture. These are basic underlying assumptions, values, artifacts and behaviour. Organisational culture can be described as bureaucratic, role task or control oriented (Lashley 1999; Ninsiima, 2003).

Organizational culture has in the last two decades drawn a lot of focus from researchers

for various reasons; some of these reasons include the noticeably direct effect it has on the performance, survival and longevity of an organization (Zineldin 2005). Lok & Crawford, 2004 also suggested that organizational culture can exert considerable influence in organizations particularly in areas such as performance and performance.

2.1.3 Conceptualizations of culture of organizations:

According to Alvesson (1989), conceptualization of the organization culture depends on the scale of two extremes:

- Process oriented approach
- Classification approach

2.1.4 Process oriented approach to organizational culture

According to Roskin (1986), this approach shows organizational culture as permanent response for collective meaning. Schein's (1990), model of organizational culture represents this approach and describe organizational culture as a outline of fundamental hypothesis invented or developed by a specific group to learn about the specific problem and worked well sufficient to considered suitable. He defines the three levels of the culture; behaviors (make the social and physical environment), values (underlying the meaning by which outlines of artifacts are interpreted), and basic assumptions (unconscious level of behaviors which are most difficult to learn or change).

2.1.5 Classification approach to organizational culture

According to this organizational culture converse to a range of ideas that can be imitate by two or more variables. From this approach numbers of quantitative methods are utilized to measure the culture of organization (Rousseau, 1991), questioner development on the base of typology of culture. One of the most popular conceptualization of culture is to be understood by onion model. Organization culture is considered like onion based on different layers. Norms and values are the invisible but most important aspect of the organizational culture. We can look many cultural signs,

artifacts, and outline of behavior of the employees.

Performance refers to the degree of achievement of the mission at work place that builds up an employee job (Cascio, 2006). Different researchers have different thoughts about performance. Mostly researchers used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996). According to Barney (1991) performance is a continuous process to controversial issue between organizational researchers. Organizational performance does not only mean to define problem but it also for solution of problem (Hefferman and Flood 2000). Daft (2000), said that organizational performance is the organization's capability to accomplish its goals effectively and efficiently using resources. As similar to Daft (2000), Richardo (2001) said that achieving organizational goals and objectives is known as organizational performance. Richardo (2001) suggested that organizations success shows high return on equity and this become possible due to establishment of good employees performance management system.

2.1.6 Strategic performance measurement system (SPMS):

It is very important for organizations to make performance measurement system to evaluate the performance of the employees, which is very helpful to evaluating the achievement of organizational goals and in developing strategic plans for the organizations (Ittner and Larcker, 1998). Nowadays organizations are more focusing on the management of non-financial or intangible assets like customer's link, services, quality and performance, not on the assets which are financial in nature (Kaplan and Norton, 2001). So there is a need for proper performance measurement system to measure and evaluate the performance of employee either financial or non-financial.

Strategic performance measurement system (SPMS) is a new approach to measure the performance rather than traditionally. Chen hall (2005), said that the SPMS provide a way to translate and measure the both financial and non-financial performance. He also

suggests that it is the incorporative nature of this measurement technique; provide the potential to increase the strategic competitiveness of the organization. As similar with Chenhall (2005), Vein, Burns and McKinnon (1993), was agreed that the use of multiple performance measures consist on financial and non-financial is generally most good for owner and management, which is helpful to enhance protection towards the uncontrollable events outside the organizations.

Kaplan and Norton (1992), suggested that Balance Scorecard (BSC) is the one of most important SPMS tool. Balance Scorecard provides help or frame work to ensure that the strategy is interpreted into rational set of performance measurement. Linked together on causal relationship it cover four main viewpoints, like as, financial, internal business process, customer, and learning & growth. The modal "Balance Scorecard" is cooperative tool to focus on the organization, improvement of communication, setting organizational goal and giving feedback on strategy (Anthony & Govindarajan, 2003).

2.1.7 Impact of organizational culture on performance:

Denison (1984) used data from 34 American firms on cultural performance over a period of five year and scrutinized the characteristics of organizational culture and tracked the performance over time in these firms. As per Richer and Schneider (1990), stated that culture researcher have committed various studies to the definitions of culture, relatively few researcher have been contributed in culture and performance research. Only reason for doing this was the complexity in operational concept of the culture construct. According to Kotter and Heskett (1992), investigate the relationship between long-term organizational performance and economic performance across more than 200 organizations. More ever, being one of the most important and most conscientious research efforts on this subject, the study has arranged three vital contributions. First, relationship between culture and performance established in their research is forceful. Second, the writer gives an important combination of theoretical point of view regarding the nature & scope of culture. Third, they sketch strong associations between culture, management practices and performance.

The claim that organizational culture is attached to performance is initiated on the apparent role that culture can play in caused competitive advantage. Rousseau (1990) studied to overcome some of the limitations in measuring the culture of organization. At the end the results shows that there is no positive correlations between culture and employees performance. After critically reviewed the methodologies and findings of recent researches, it is assumed that there is a link between culture and performance (Lim, 1995). Theorists also argue that sustainable competitive advantage arises from the formation of organizational competencies which are both superior and incorrectly imitable by competitors (Saa-Pe're and Garcia-Falcon, 2002). Practitioners and academics suggested that the performance of an organization is dependent on the degree to which the values of the culture are comprehensively shared (Denison, 1990).

The dominance of instrumental values

A basic problem in much management thinking and writing is an impatience in showing the great potential of organizational culture. Associated with this is a bias for a premature distinction between the good and the bad values and ideas, trivialization of culture, overstressing the role of management and the employment of causal thinking.

Premature normatively: the idea of good culture

Associated with the technical interest of optimizing means for accomplishment of goals is an underdeveloped capacity to reflect upon normative matters. Viewing cultures as means leads to evaluations of them as more or less 'good', i.e. as useful, without consideration whether this goodness is the same as usefulness or if usefulness may be very multidimensional. The more popular literature argues that 'good' or 'valuable' cultures – often equated with 'strong' cultures – are characterized by norms beneficial to the company, to customer, and to mankind and by 'good' performance in general:

Good cultures are characterized by norms and values supportive of excellence, team-work, profitability, honesty, a customer service orientation, pride in one's work, and

performance to the organization. Most of all, they are supportive of adaptability – the capacity to thrive over the long run despite new competition, new regulations, new technological developments, and the strains of growth. (Baker, 1980: 10)

Good cultures are, according to this author, cultures that incorporate all good things in peaceful co-existence. Also many other authors eager to appeal to practitioners focus on highly positive-sounding virtues, attitudes, and behaviour claimed to be useful to the achievement of corporate goals as defined by management (e.g. Deal and Kennedy, 1982; Trice and Beyer, 1985). They are largely instrumental in character, without considering any ambiguity of the virtue of culture or what it supposedly accomplished in terms of goal realization.

2.2 Employee Performance

Employee performance is defined as employees' acceptance, involvement and dedication towards achieving the organizational goals. It is the willingness of employees to accept organizational values and goals and to work towards achieving these; to be fully involved and participate in all the activities both work and non-work related of the organization and to dedicate time and effort towards the betterment of the organization (Muthuveloo & Rose, 2005).

Meyer and Allen (1991) give three dimensional constructs of performance which are affective, normative and continuance which is sometimes labeled calculative performance (IveSRon & Buttigieng, 1999). Affective performance refer to the employees' emotional attachment to, identification with and involvement in the organization (based on positive feelings or emotions towards the organization). Employees with a strong affective performance continue their organizational membership because they want to do so (Gautam, Van Dick & Wagner, 2004).

Continuance performance refer to performance based on the costs that the employee associates with leaving the organization (Meyer & Allen, 1997; Hrebiniak and Allutio

(1972) cited in Gautam Van Dick and Wagner (2004) argued that continuance performance refer to the continued membership in an organization because of two reasons: perceived cost of leaving the organization such as reduction in pay, pension benefits or facilities and second due to the lack of alternative job opportunities.

Continuance performance ensures that employees do not resort to exit in response to their dissatisfaction and ensue that organization member remain in their organization despite being dissatisfied or discontented (Appelbaum, et al, 2004). This may be because such employees are likely to resort to loyalty or neglect as the response to their dissatisfaction.

Normative performance on the other hand refer to an employee's feeling of obligation to remain with the organization (based on the employees having internalized the values and goals of the organization) (Meyer & Allen, 1997). Normative performance means internalized pressure or feeling of obligation to continue employment due to work culture and other socially accepted norms. (Gautam, Van Dick & Waner, 2004).

2.3 Service Quality

Service quality is defined as the difference between expectations and actual performance (Ravald and Gronroos, 2000). Service quality as perceived by the customer focuses mainly on a high level of responsiveness this affects organizational culture in terms of changing the way clients are served. Service quality is further defined as focusing on meeting needs and requirements of customer and how well the service delivered matches customer expectations.

Consumer expectations are increasing and customers are becoming more critical of the service they receive hence service quality is increasingly recognized as being of key strategic value by organizations. The cost and benefit to be derived from successful service quality are highlighted by several authors, For example Crosby (1991) and Richfield and Sasser (1990) focus on the costs of attracting new customers' relative to

customer retention efforts, the benefits are satisfied and retained customers and employees, opportunities for cross-selling, the attraction of new customers', development of customer relationships, increased sales and market share, enhanced corporate image, reduced costs and increased profit margins and business performance.

2.4 Organizational Culture and Employee Performance

A committed employee according to Meyer and Allen (1997) cited in Rashid, Sambasivan & Johari 2003 is the one who stays with the organization whatever the circumstances and shares the company goals. Thus having a committed workforce would be an added advantage to an organization.

Performance helps workers to identify with the organization's rules rewards and values. Silverthorne (2004) found that there is a relationship between organizational culture and performance whereby bureaucratic organizational culture had the lowest level of employee performance.

2.5 Organizational Culture and Service Quality

Corporate personnel are increasingly of the view that the cultural values prevailing in an organization are very essential for the performance of an organization (Booth and Hamer, 2009). The way business is managed in an organization is becoming so crucial that organizations are realizing the need to give more attention to the welfare of their employees so that they can in turn create a welcoming atmosphere and good relationship with the ever needful customer (Tesco, 2008). Organizational culture has been defined by scholars as the values that are generally displayed or upheld by an organization. These values, it is argued could be coming right from the founders of the organization and get embedded in the regulatory structure and practice of the organization (Booth and Hamer, 2009).

The nature of the organizational culture in an organization has implications on the

various functions of the firm such as sales and marketing (Alexandris et al 2007) the nature of the organizational culture also impacts on the quality of the service that the customer receives. Tukker and Tischner (2006) indicate that since products and services go hand in hand and the customer needs are dynamic the institution constantly has a challenge of ensuring that its values, management style and strategies are flexible if the organization is to maintain a competitive edge.

2.6 Organizational Culture, Service Quality

In trying to improve effectiveness by engaging the employees more in the organization activities, manager should explore issues relating to the influence of culture on the willingness to take on more tasks and provide quality service by all employees. Service quality has an integrating role between organizational culture and customer retention because service quality is the outcome of the internal organizational policies and practices, organizational culture is fundamental in the service process which impacts on to customer value, satisfaction and retention (Gerpott 2001).

2.7 Organizational Culture, Employee Performance, Service Quality and

Organizational culture that supports employee control and autonomy in work processes by reducing hierarchy is able to enhance intrinsically motivated and self-directed behaviors among employees; employees can then focus offering good service and hence customer retention. When top management reduce on slow decision making, the hierarchical management style and routine in work processes, employees can work better and get more results in an environment where they feel informed and involved, similarly high client retention rate indicates that the client derives satisfaction from the provided services, hence would see no reasonable cause to incur switching costs to get another service provider (Johnston 2003). A satisfied client will talk good about the service provided this word of mouth is likely not only to attract new clients but also cement the already existing business relationship, increase client patronage and thus client retention (Kotler 2000, Strauss et al 2001)

Regardless as to what business leader may be trying to implement in their companies any employee interacting with customer is in a position either to increase customer retention or put it at risk (Erickson 2002). Employees in such positions should therefore be supported by the organizational culture effectively and efficiently (Evans 2002).

Conclusively, reviewed literature shows that there is a significant relationship between performance and growth of employees when there is a motivating environment to work. This automatically is due to the culture of the individual organisation.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The chapter presents the methodology that was used to carry out the study. It presents the research design, study population, sample size, sampling methods, data collection methods and instruments, procedure for data collection validity and reliability, data management, analysis, measurement of variables and limitations of the study.

3.2 Research Design

The researcher used a cross sectional survey design. The design enabled the researcher to collect as much response options as possible from the organization under study. A correlation design was used to establish the existence of relationships between the independent, moderating and dependent variables.

3.2.1 Study population

The population of study comprised of 12 branches of Speke Resorts. Managers, staff and customers of these branches were part of the study.

3.2.2 Sample Size

The researcher determined a sample size of six of SR 's 12 branches. This sample size was considered manageable and representative of the study. Each of the Manager from these branches was given a questionnaire which made it 06 Managers, 12 employees from each of these branches.

This made a total of 78 employee respondents. 15 customers from each of the six selected branches was selected, this made a total of 90 customer respondents. The total sample size was 168 respondents. The staff and customers were selected by simple random sampling method because each stood an equal chance of being selected. Purposive sampling was used to select the manager. The sample size was in

line with Roscoe's simple rule of the thumb 1975. The geographical area was chosen because the selected branches had the highest number of customers flowing to resort (Speke Resort Munyonyo commonwealth).

3.3 Sampling method

Purposive and convenience sampling was used in the selection of the management team and employees of the organization; this was done to ensure that personnel in high contact with customers were going to be considered to contribute towards the study. It was also meant to enable deal with the respondents at their own convenience.

3.4 Sources of data

Data was collected from both primary and secondary sources.

- i. Primary data was collected from 168 respondents including the Manager, employees and customers of SR. This was because this type of data was original and was collected specifically for the problem under study.
- ii. Secondary data was sourced from published reports, journals and SR Annual Report.

3.5 Measurement of variables

In measuring the study variables the Linkert scale and Intermised rating scale was used since there were behavioral aspects

Customer retention which was the dependent variable of the study was measured using repeat purchases, loyalty, increased referrals (Boles, Barksdale and Johnson 1997)

Organizational Culture which was the Independent variable in the study was assessed with a measure developed by Zammuto and Krakower (1991). This measure was used in several studies examine organizational culture (e.g. Bradley and Parker, 2001; Gifforg et al., 2002; Parker and Bradley, 2000) participants responded on a five

point scale ranging from 1(strongly disagree) to 5 (strongly agree). The work of Lehman et al., (2002); Hoagwood, 2005; Sharp et al., (2003) also supported the self administered questionnaires.

Service quality: In measuring service quality, the 22 item SERVQUAL (Parasuraman et al, 1988) adjusted to the context of Hospitality companies was used to measure the five dimensions (reliability, responsiveness, empathy, assurance and tangibility) of service quality. These instruments have been used in hundreds of studies in financial institutions (Luk et al, 1993).

Employee Performance was measured using Meyer et al (1997) measure.

3.8 Data collection instruments used

The primary data collection was through self-administered questionnaires. The quantitative measure on the variables were administered by structured questionnaires. These were adopted because they elicit specific responses that were easy to analyze. It was also economical in terms of time since it was easy to fill. Secondary data are going to be collected from the management and administrative sectional reports and minutes.

3.6 Reliability and Validation of Instruments

For quality control, a pre-test of the research instrument to test its validity and reliability was done. Finally the questionnaire was checked for accuracy and completeness basing on an Alpha Cron-Bach test of more than 0.7.

The alpha cron-bach test is a measure of internal consistency of the items on each scale. It tested whether the items for each variable tap the concept. The alpha cron-bach coefficients are summarized in the table below:

Table 1 Reliability Coefficients

Variable	Alpha Co-efficient
Organizational Culture	.914
Employee performance	.756
Service quality	.903
Customer retention	.737

Source: Primary data, 2015

3.7 Data Processing and Analysis

The researcher compiled, sorted, edited, classified and entered the data into the computer for analysis. This was used in analyzing the data. In analyzing, the relationships between the independent variable, moderating and dependent variable factor analysis, correlations and multiple egressions were performed.

Cross tabulation was used to show the differences between customer and manager/employees with respect to their demographic aspects. A factor analysis was carried out to determine the actual factor loading of the items and the contribution of each factor to the different variables. Pearson's correlation was used to determine the degree of relationships between the variables. Regression analysis was used to determine the predictability (contribution) of the independent variable and moderating variable to the dependent variable.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS OF FINDINGS OF THE STUDY

4.0 Introduction

This chapter presented the findings of the study in respect to the study objectives. Graphical expressions such as pie charts and bar charts were used to express quantitative findings. In addition, percentage and frequency tables were used in the presentation. Analytical and descriptive approaches intervened to present qualitative findings.

4.1 Demographic Data

The demographic characteristics of respondents was established to ascertain the nature of respondents that participated in the study in relation to their gender, category, age group, level of education, period with the institution and marital status. Cross tabulations were used to establish the covariance between these aspects and below are the results.

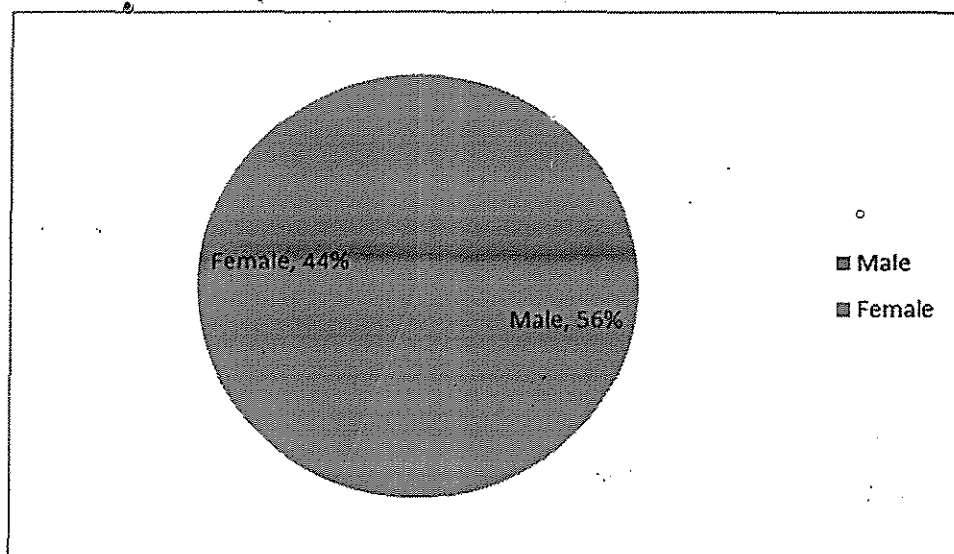
4.1.1 Sex of respondents

A cross tabulation was run between gender and category of respondents and results are presented in the table below.

Table 2: Cross tabulations of sex of respondents

			Respondent Category		Total
			Customer	Staff	
Gender	Male	Count	71	30	101
		Column %	55.5	56.6	55.8
	Female	Count	57	23	80
		Column %	44.5	43.4	44.2
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: primary data, 2015



From the study findings, it was revealed that male respondents that participated in the study comprised of 55.8% while the female respondents comprised of 44.2%. 70.7% of the respondents that participated in the study were customer while 29.3% were staff member. Among customer respondents 55.5% were male and 44.5% were female. Among staff member 56.6% were male respondents while 43.4% were female respondents. From the analysis of the information got from the respondents, it shows that both employee and customer composition at SR Munyonyo seems to be dominated by males.

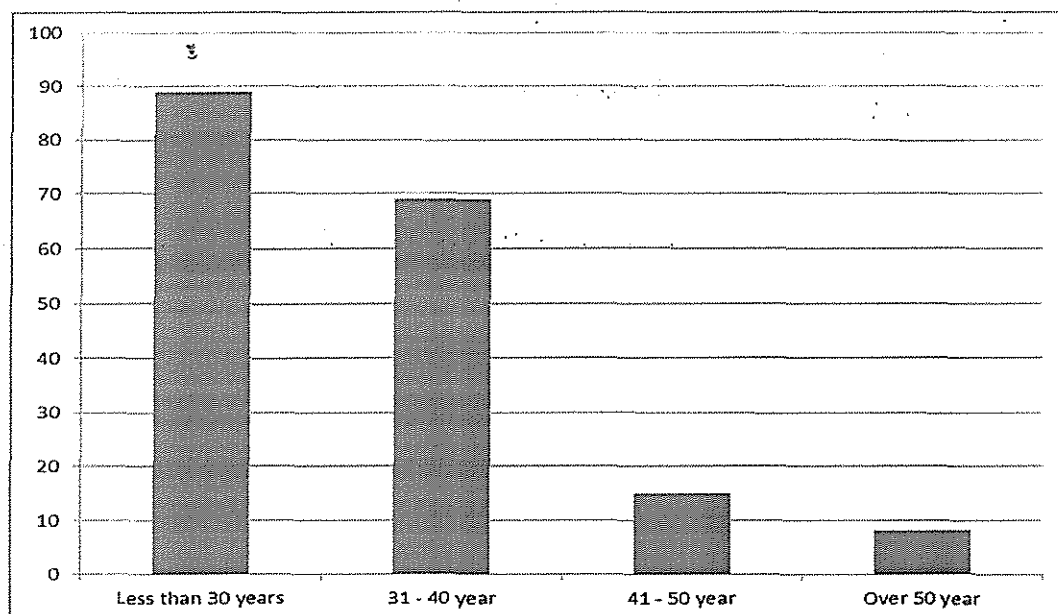
4.1.2 Age of the respondents

A cross tabulation of age and gender of respondents was done to establish the covariance between variables and findings are presented in the table below.

Table 3: Age of respondents

			Respondent Category		Total
			Customer	Staff	
Age Group	Less than 30 year	Count	62	27	89
		Column %	48.4	50.9	49.2
	31 - 40 year	Count	48	21	69
		Column %	37.5	39.6	38.1
	41 - 50 year	Count	10	5	15
		Column %	7.8	9.4	8.3
	Over 50 year	Count	8		8
		Column %	6.3		4.4
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: primary data, 2015



Findings revealed that of the respondents that participated in the study 49.2% were aged less than 30 year, 38.1% were aged between 31-40 years, 8.3% were aged between 41-50 year of age and 4.4% were aged over 50 year. In the study, 70.7% were customer and 29.3% were staff member. Among customer majority (48.4%) were aged less than 30 years, 37.5% are between 31-40 years. For the staff member the majority 50.9% were aged below 30 year while 39.6% were aged between 31-40 years. This implies that most of the employees in SR Munyonyo are below 30 year of age

4.1.3 Level of Education of the respondents

Cross tabulation of respondents level of education and respondents category was established and results are presented below.

Table 4: Level of Education of respondents

			Respondent Category		Total
			Customer	Staff	
Level Education	Diploma	Count	31	8	39
		Column %	24.2	15.1	21.5
	Degree	Count	44	40	84
		Column %	34.4	75.5	46.4
	Post Graduate	Count	14	4	18
		Column %	10.9	7.5	9.9
	Other	Count	39	1	40
		Column %	30.5	1.9	22.1
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: primary data, 2015

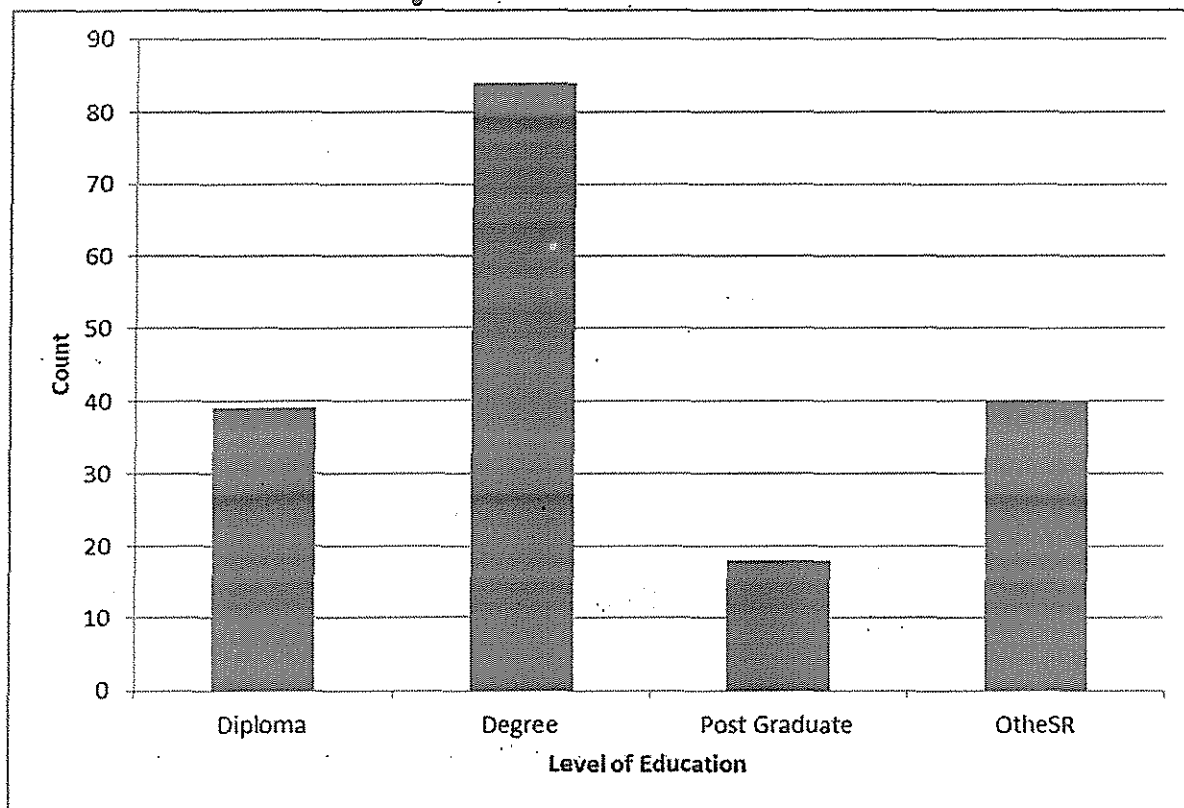


Figure 4.3 above, derived from the analysis of the information got from the respondents shows that majority of the respondents (46.4%) had a Bachelors' degree whereas, 21.5% had Diploma level Education, 9.9% of the respondents had Post Graduate degree qualification, 22.1% of respondents had other forms of education. In this category clients were 70.7% whereas staff member were 29.3%. In the analysis of the customer majority (34.4%) had a Bachelor's degree as their level of education whereas 30.5% had other forms of education. In the staff member category 75.5% had a Bachelors' degree and 15.1% had Diploma as their level of education.

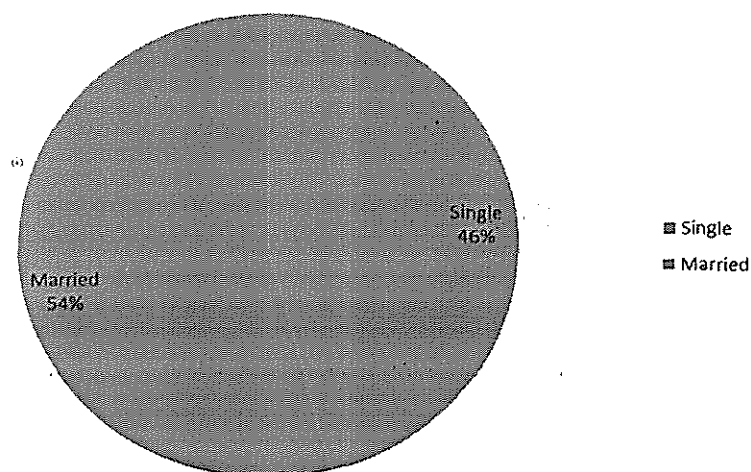
4.1.4 Marital Status of the respondents

A cross tabulation between marital status of the respondents was established and the results are presented in the table below.

Table 5: Marital Status of the respondents

			Respondent Category		Total
			Customer	Staff	
Marital Status	Single	Count	60	23	83
		Column %	46.9	43.4	45.9
	Married	Count	68	30	98
		Column %	53.1	56.6	54.1
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: *Derived from the analysis of the information got from the respondents, 2015*



From the study findings it was revealed that 54.1% of the respondents were married while 45.9% were single. Of these 70.7% were customers while 29.3% were staff member meaning that majority of the respondents were married. The study revealed that 53.1% of the customers were married while 46.9% were single. In the staff category, it was revealed that majority 56.6% were married while 43.4% were single

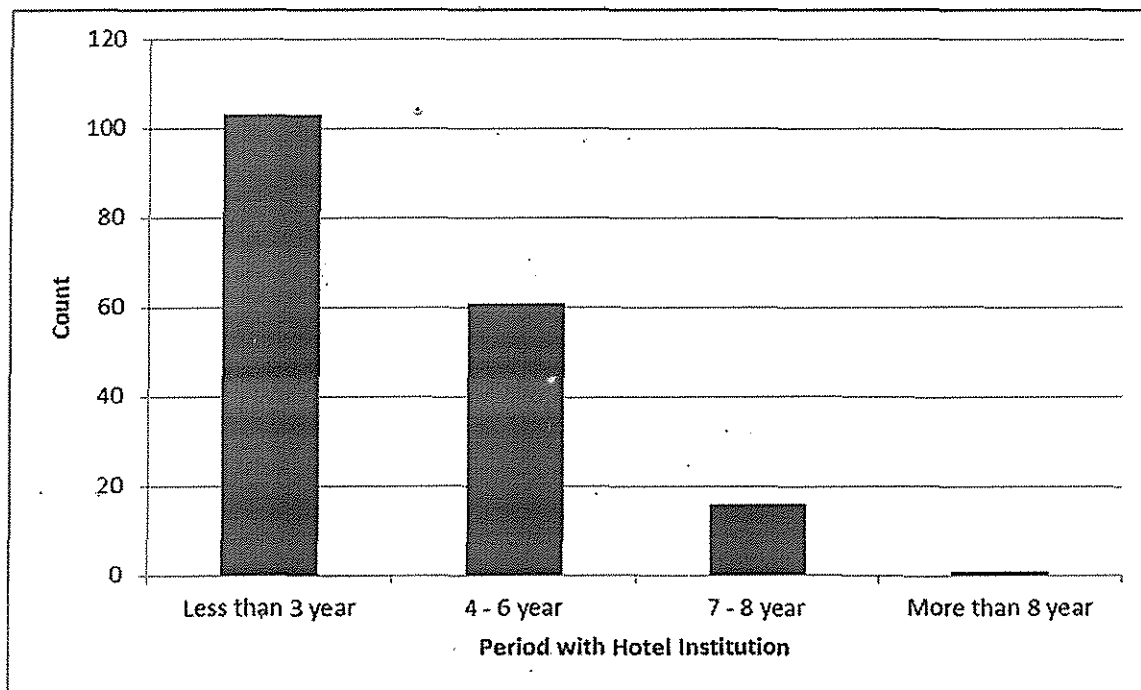
4.1.5 Period spent with Hotel Institution

The period respondents had spent interacting with the hotel institution was established and findings are presented in the table below.

Table 6: Period respondents have spent with the Hotel Institution

			Respondent Category		Tot
			Customer	Staff	
Period with Hotel Institution	Less than 3 year	Count	81	22	103
		Column %	63.3	41.5	56.9
	4 - 6 year	Count	36	25	61
		Column %	28.1	47.2	33.7
	7 - 8 year	Count	10	6	16
		Column %	7.8	11.3	8.8
	More than 8 year	Count	1		1
		Column %	.8		.6
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: Derived from the analysis of the information got from the respondents, 2015



The table above shows that 56.9% of the respondents had spent less than 3 year with the institution 33.7% had spent 4-6 year with the institution while 8.8% had spent 7-8 year with the institution.

In the category of customer, majority, 63.3% had spent less than 3 year with the institution, 28.1% had been with the institution for 4-6 year.

In the category of staff, majority, 47.2% had worked for the institution for 4-6 year while 41.5% had worked for the institution for less than 3 year

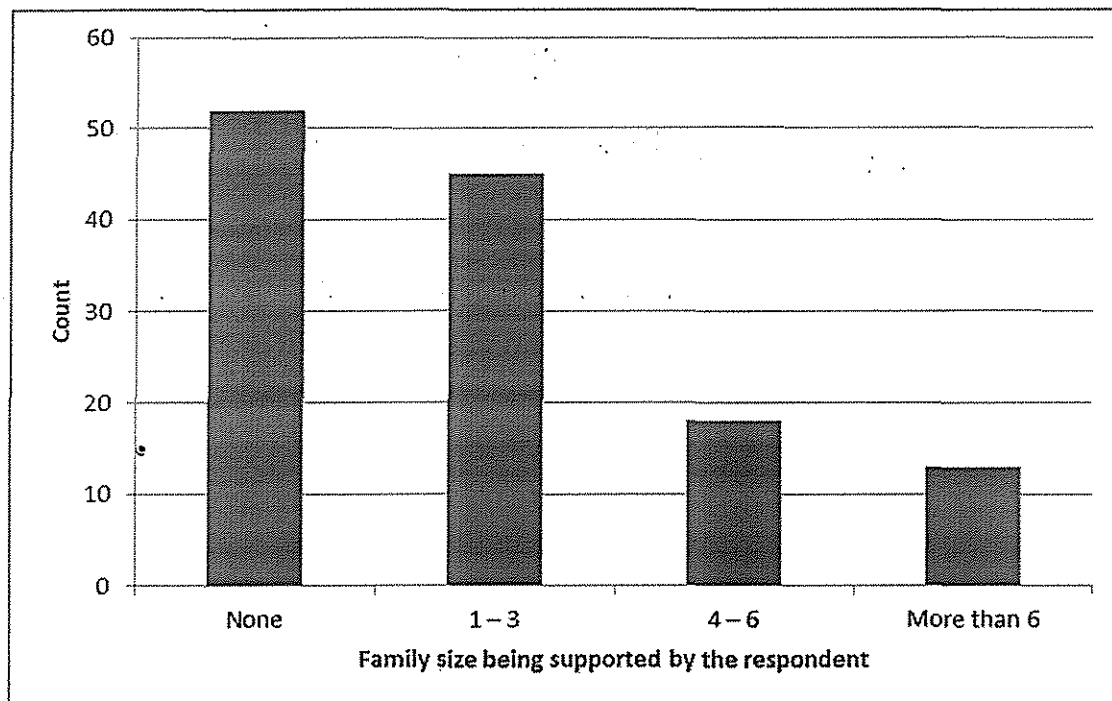
4.1.6 Family size being supported by Customer and Approach to SR Munyonyo for a loan over past year

Results for size of family being supported by Customer and whether they approached SR Munyonyo over the past year for a loan were analyzed and are presented in the table below.

Table 7: Family Size supported by respondents and whether they approached SR Munyonyo for a loan in past year

			Contacted SR Munyonyo over past year for a loan		Total
			Yes	No	
Family size being supported by the Respondent	None	Count	35	17	52
		Column %	39.8	42.5	40.6
	1 – 3	Count	28	17	45
		Column %	31.8	42.5	35.2
	4 – 6	Count	15	3	18
		Column %	17.0	7.5	14.1
	More than 6	Count	10	3	13
		Column %	11.4	7.5	10.2
Total		Count	88	40	128
		Sample %	68.8	31.3	100.0

Source: Derived from the analysis of the information got from the respondents, 2015

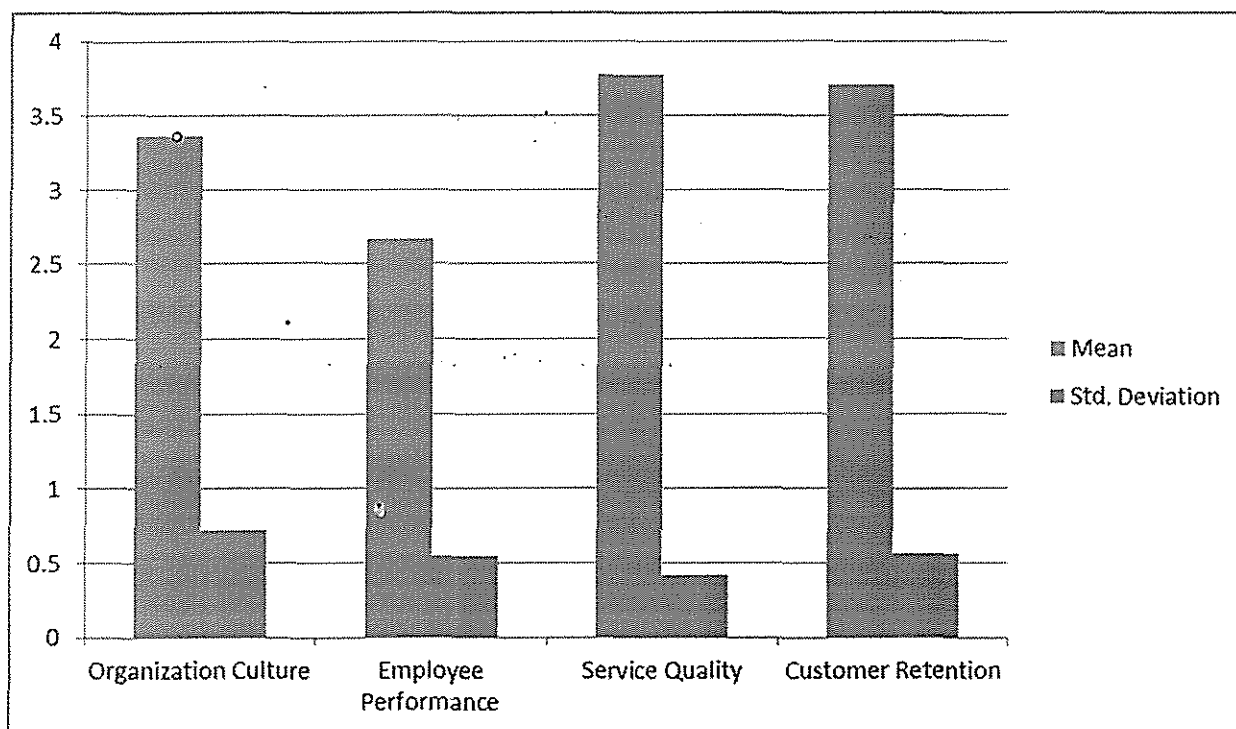


The table above shows that, majority of the employees (68.8%) had contacted SR Munyonyo for a loan in the past year while 31.3% reported not applying for any loan. Among those who approached SR Munyonyo for a loan 39.8% had no dependants while 31.8% had 1-3 dependants, 17% had 4-6 dependants. This implies that majority of the employees who contacted SR Munyonyo for a loan in the past year had no dependants. Means and standard deviations were performed on the study variables to examine the perceptions of both employees and customer as shown in table 4.7 below.

Table 8: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Organization Culture	53	1	5	3.3671	.71846
Employee Performance	53	1	5	2.6667	.54948
Service Quality	128	1	5	3.7726	.42164
Customer Retention	128	1	5	3.7045	.56613

Source: primary data, 2015



There was a moderate perception of employees on organizational culture and indifferent on performance.

Organizational culture as indicated by employees was to a moderate extent (mean=

3.367; moderate extent), while employees were not sure of performance at SR Munyonyo (mean=2.6667; not sure).

There was a positive perception of customer on service quality and customer retention. Service quality and customer retention existed at SR Munyonyo (Mean= 3.7726; 3.7045; Agree) respectively as indicated by customer.

4.2 Factor analysis of study variables

Principal component analysis and varimax rotation method were used to extract the most important factor that measured the study variables.

4.2.1 Organization Culture

Three factor namely; structure, leadership and supervisory support explaining 65% of organizational cultures variance were extracted with Eigen values above 1 and item loadings above ± 0.3 . This implied that structure, leadership and supervisory support measured organizational culture.

4.2.2 Employee Performance

Four factor namely; affective, calculative, continuance and normative were extracted explaining 67% of employee performance variance with Eigen values above 1 and item loadings above ± 0.3 . This implied that affective, calculative, continuance and normative measured employee performance.

4.2.3 Service Quality

Four factor namely; responsiveness, empathy, reliability and assurance were extracted explaining 61% of service delivery variance with Eigen values above 1 and item loadings above ± 0.3 .

4.2.4 Customer Retention

Two factor with Eigen values above 1 and item loadings above ± 0.3 were extracted

explaining 50% of customer retention in terms of repurchase intention and willingness to recommend. This implied that repurchase intention and willingness to recommend measured customer retention.

4.3 Pearson Correlation Test

The study sought to establish the relationship between the variables of the study that were organizational culture, employee performance, service quality and customer retention at SR . The relationship between variables was established using the Pearson correlation tests (r, correlation coefficients). It should be noted that the Pearson correlation coefficient (r) tests the relationship between variables and it shows the magnitude of effect one variable has on another one and the table below presents the results.

Table 9: Relationship between the variables

	Organizational Culture	Employee Performance	Service Quality	Customer Retention
Organizational Culture	1.000			
Employee Performance	.487**	1.000		
Service Quality	.586**	.456**	1.000	
Customer Retention	.413**	.491**	.519**	1.000

**** Correlation is significant at the 0.01 level (2-tailed).**

Source: Primary data, 2015

4.4 The relationship between study variables

4.4.1 The relationship between organizational culture and service quality at SR Munyonyo (Objective 1)

From the analysis of results in the table above, it's indicated that there is a significant and positive relationship between organizational culture and service quality ($r = .586^{**}$, $p < 0.01$). These results imply that strengthening of organizational culture could better improve the quality of service offered.

4.4.2 The relationship between Organizational Culture and Employee Performance at SR Munyonyo (Objective 2)

A significant and positive relationship was observed to exist between organizational culture and employee performance at SR Munyonyo ($r = .487^{**}$, $p < .01$). This implies that improvement in organizational culture leads to employee performance.

4.4.3 The relationship between Employee Performance and Service Quality at SR (Objective 3)

The results in the table above present a significant and positive relationship between employee performance and service quality at SR Munyonyo ($r = .456^{**}$, $p < .01$). This implies that employee performance at SR Munyonyo helped improving the quality of service offered to customer.

4.4.4 The relationship between Organizational Culture, Service Quality, Employee

Performance and Customer Retention at SR. (Objective 4)

It is observable that there is a significant positive relationship between organizational culture, service quality, employee performance and customer retention at SR Munyonyo as organizational culture ($.413^{**}$, $p < .01$), service quality ($.491^{**}$, $p < .01$) and employee performance ($.519^{**}$, $p < .01$) positively relates to customer retention. This implies that

improved organizational culture at SR Munyonyo will enhance customer retention.

4.5 Regression Analysis of variables

To establish the extent to which employee performance, service quality and organizational culture predicted customer retention at SR, a prediction model using multiple linear regression analysis was used and results are presented in the table below.

Table 10: The Prediction Model

The regression model in Table 13 below was generated to show the extent to which the predictor i.e. Organizational Culture, Employee Performance, Service Quality could explain the dependant variable (Customer retention)

	<i>Un-standardized Coefficients</i>	<i>Standardized Coefficients</i>	t		Sig.
Model	B	Std. Error	Beta		
(Constant)	1.418	.323		4.395	.000
Employee Performance	.269	.075	.305	3.581	.000
Service Quality	.339	.090	.345	3.746	.000
Organizational Culture	.062	.094	.062	.665	.507

Dependent Variable: Customer Retention		
R	.596	
R Square	.355	
Sig.	.000	

Results in table 10 above show a combination of employee performance, service quality and organizational culture in assessing the level to which they can predict customer retention. These variables explained 35.5% of the variance in Customer Retention (R Square = .355). The most influential predictor of customer retention was service quality (Beta = .345) with a relative importance of 3.746 (in t-test). Also employee performance (Beta = .305) is a significant predictor of customer retention with a relative importance of

3.581 (in t-test). Organizational culture is less likely to influence customer retention since it portrays no significance (.507) in the model. The implication in this model is that the nature of service quality offered by the institution and the manner in which employees are committed to doing their work significantly determines customer retention of the institution.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a discussion of the findings of the study, conclusions derived, recommendations given and areas of further research based on research findings in chapter four. Research results are discussed according to the objectives of the study in line with the research questions.

5.1. Discussion of study results

5.1.1 The relationship between Organizational Culture and Employee Performance

Findings show that organizational culture positively relates to employee performance. This is confirmed by Sambasivan & Johari (2003) who clearly states that a committed employee is the one who stays with the organization whatever the circumstances and shares the company goals. Thus having a committed workforce would be an added advantage to an organization. This helps to improve organizational performance in various perspectives.

More so, according to Silverthorne (2004) performance helps workers to identify with the organization's rules rewards and values. Therefore a strong relationship between organizational culture and performance whereby bureaucratic organizational culture had the lowest level of employee performance as indicated in the study findings. Having an encouraging routine work schedule, smart decision making process, and an efficient hierarchical management style determines the nature of performance employees are likely to have towards the institution. Therefore the capacity of SR Munyonyo

employees and management to show politeness to customers and be able to come up with new ideas, will result into a situation where by the employees feel they should continue working for SR Munyonyo and are a part of the institution's family.

5.1.2 The relationship between Employee Performance and Service Quality

From the findings, there is a positive significant relationship between employee performance and service quality this is also in accordance to Crosby (1991) who affirms that employee performance is reflected in seeing a satisfied customer. Consumer expectations are increasing and customers become more critical of the service they receive hence service quality is increasingly recognized as being of key strategic value to organizations. This implies that when employees emotionally attach themselves to the organization (affective performance), and employees understand that leaving the organization has implicative costs to the organization (continuance), then employees respect for the institutions values (normative) and acceptance to work for the institution significantly translates into the quality of services that are given to customers in the institution which in turn leads to high performance.

5.1.3 The relationship between Organizational Culture, Service Quality, and employee Performance.

Organizational culture, service quality and employee performance are positively related to customer retention. According to Johnston (2003), Organizational culture that supports employee controls and autonomy in work processes by reducing hierarchy, enhances intrinsically motivated and self-directed behaviors among employees; employees can then focus on offering good service and hence customer retention. When top management reduce on slow decision making, the hierarchical management style and routine in work processes, employees can work better and get more results in an environment where they feel informed and involved, similarly high client retention rate indicates that the client derives satisfaction from the provided services, hence would see no reasonable cause to incur switching costs to get another service provider.

In line with the findings, Strauss et al (2001) explain that a satisfied client will talk good about the service provided. This word of mouth is likely not only to attract new clients but also cement the already existing business relationship, increase client patronage and thus client retention which are all indicators of a high performance work team/employee. Having encouraging routine work for staff members, having an effective decision making process, an efficient management style that enables staff responsiveness, empathy, reliability, assurance in service delivery and an affective, calculative, continuance and good customer relationship can have a positive effect on staff normative employee performance status.

From the findings with utmost employee performance customer retention likelihood is high, as Erickson (2002) explains regardless of what business leaders may be trying to implement in their companies, any employee interacting with a customer is in a position either to increase customer retention or put it at risk. Employees in such positions should therefore be supported by the organizational culture effectively and efficiently if they are to achieve the objective of effective performance (Evans, 2002).

5.1.4 The Relationship between Organizational Culture and Service Quality

In another development, study findings indicated a positive significant relationship between organizational culture and service quality. This implies that setting strategies for having an Organizational culture that is customer oriented, improves the service quality in the institution. This finding relates to Tesco, (2008) who explain that the way business is managed in an organization is becoming so crucial that organizations are realizing the need to give more attention to the welfare of their employees so that they can in turn create a welcoming atmosphere and good relationship with the ever needful customer.

Customer retention directly translates into a sale which implies improved financial performance of the institution. According to Alexandris et al (2007), the nature of the organizational culture in an organization has implications on the various functions of the

firm such as sales and marketing the nature of the organizational culture also impacts on the quality of the service that the customer receives. Tukker and Tischner (2006) indicate that since products and services go hand in hand and the customer needs are dynamic the institution constantly has a challenge of ensuring that its values, management style and strategies are flexible if the organization is to maintain a competitive edge. Therefore, an organization culture where the hierarchical structure is not over emphasized and there is supervisory support coupled with the leadership giving staff a chance to think up new and innovative ideas will improve the nature of service quality in the institution.

5.3 CONCLUSION

Given the findings of the study above, the following conclusions were reached; It is evident that organizational culture greatly influences the effectiveness of employee performance which was the major reason as to why the study was conducted (.491**, $p < .01$) at Speke Resort. All stakeholders in the organization are relevant in the achievement of effective service delivery that in turn helps in retaining customer's.

The study revealed that there is a positive relationship between employee performance and service quality ($r = .456^{**}$, $p < .01$). This implies that employee performance at Speke Resort Munyonyo common wealth helped to improve the quality of service offered to customer. This is due to the factor that the work environment makes employees feel as stakeholders in hotel.

The study shows that where employee performance exists, the quality of service is enhanced; the study established that organizational culture is less likely to influence customer retention since it portrays no significance.

3.4 RECOMMENDATIONS

In reference to the findings of the study and the guidance derived from the literature

review. It is evident that while there are several factors that are crucial for customer retention at SR, service quality as reflected above plays a major role in customer retention, so management should prioritize its employee's needs.

Employee performance also has a strong significant relationship with customer retention therefore, basing on the literature review and the results of the study, the following recommendations are suggested:

As evidenced by the results of the sampled respondents, service quality is crucial in influencing customer retention at SR, therefore it is important that management puts more emphasis on improving the quality of service offered to customers especially providing service in a timely manner as promised to the customer.

It is also important that while employee performance is being improved, organization culture should as well be improved and emphasized; in effect, management of SR Munyonyo should attempt to strengthen its systems alongside its organizational culture this is because it is notable that culture influences staff as they offer service to customer.

Finally since employee performance and service quality are paramount to customer retention they require sufficient attention

5.5 Areas for further research

Much as the study investigated the effect of organizational culture on employee performance, the findings also revealed that retaining customers in Hospitality companies is a vital way forward for those institutions that would like to remain competitive in the market place; retention can be achieved through offering excellent services through performance of employees and exceeding customer expectations. Further research in areas of customer retention in all industries especially in the hotel sector is therefore recommended. it is against this background therefore, that the

researcher recommends that further research be done in the following areas:

1. The effect of employee performance on customer retention in hotel institutions in Uganda
2. Organizational culture and Service quality dimensions of hotel institutions in Uganda
3. relationship between employee motivation and to service quality In the hotel industry in Uganda
4. the effect of organizational culture on employee performance in other organisations.

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APPENDIX 1: QUESTIONNAIRE

SR MUNYONYO EMPLOYEES

Dear Respondent, This questionnaire is designed to facilitate a study on the effect of organizational culture on employee performance and growth and specifically Speke Resort . You have been identified as one of the resourceful persons and as such you are kindly requested to spare some of your valuable time and respond to the questions/statements as frankly and honestly as possible. This research is purely for academic purposes and your responses will be treated with utmost confidentiality. Thank you.

Questionnaire for Employees:

Section A: Background Characteristics

B 1. Gender Male ☐ Female ☐

B2. Age Group

Less than 30 year	31 – 40 year	41 – 50 year	Over 50 year
1	2	3	4

B 3. Highest level of education

Diploma	Degree	Post Graduate	Other (Please specify)
1	2	3	4

B 4. Marital Status

Single	Married
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1	2
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B5. How long have you worked with SR ? _____

Less than 3 year	4 – 6 year	7 – 8 year	More than 8 year
1	2	3	4

SECTION 1: Organizational Culture (For employees)

Please respond to the following questions below by ticking the most appropriate number that corresponds to your level of agreement with the statement

1	2	3	4	5
To a very small extent	To a small extent	To a moderate Extent	To a large extent	To a very large Extent

1. We are always polite to one another and to the rest of the people.

1	2	3	4	5
---	---	---	---	---

50

2. Thinking up new ideas and being creative is acceptable in this organization by all member.

1	2	3	4	5
---	---	---	---	---

3. To you as an individual being very successful in this organization is acceptable.

1	2	3	4	5
---	---	---	---	---

1	2	3	4	5
<i>To a very small extent</i>	<i>To a small Extent</i>	<i>To a moderate extent</i>	<i>To a large extent</i>	<i>To a very large extent</i>

It is important to do things the way you found them in this
4. organization

1	2	3	4	5
---	---	---	---	---

5. It is important to treat every person equally in this organization

1	2	3	4	5
---	---	---	---	---

People want to be in charge and tell others what to do in this

6. organization

1	2	3	4	5
---	---	---	---	---

People in this organization believe they must be honest in any situation and always tell the truth

1	2	3	4	5
---	---	---	---	---

People in this organization believe they should do what they are told. They believe that they should follow the rules at all times even when no one is watching.

1	2	3	4	5
---	---	---	---	---

9. People in this organization are ambitious and ready to work hard to get ahead

1	2	3	4	5
---	---	---	---	---

10. People in this organization are curious and try to understand everything.

1	2	3	4	5
---	---	---	---	---

11. People in this organization think they should do what others expect of them.

1	2	3	4	5
---	---	---	---	---

2. People in this organization do not like to boast or to draw attention to things they do. They want to be modest.

1	2	3	4	5
---	---	---	---	---

13. The workers in this organization have a sense of the organization's mission.

1	2	3	4	5
---	---	---	---	---

4. WorkeSR feel free to voice innovative suggestions to top management in this organization

1	2	3	4	5
---	---	---	---	---

5. Departmental Heads frequently discuss with the workers their task requirements in order to cope well with the organization's objectives

1	2	3	4	5
---	---	---	---	---

1	2	3	4	5
<i>To a very small extent</i>	<i>To a small Extent</i>	<i>To a moderate Extent</i>	<i>To a large extent</i>	<i>To a very large extent</i>

16. Workers perform competently without pressure from their bosses.

1	2	3	4	5
---	---	---	---	---

17. Employees show a lot of concern to seeing that they complete their day's work

1	2	3	4	5
---	---	---	---	---

SECTION 2: EMPLOYEE PERFORMANCE (To be filled by employees)

Please evaluate the following statements using these alternatives: (Write the number of

your choice on the right hand side of the questions.

Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
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1	2	3	4	5
---	---	---	---	---

1	I feel like " part of the family in my organization"	
2	I do not feel " emotionally" attached to this organization	
3	I really feel as if this organization's problems are my own	
4	I would be happy to spend the rest of my career with this organization	
5	I am proud of my organization.	
6	This organization has a great deal of meaning to me	
7	I do not feel a strong sense of belonging to my organization	
8	Even if this organization went down financially I will still be reluctant to change to another organization.	
9	It would be too costly for me to leave this organization now.	
10	If I were offered a job in another organization with a slight increase in pay, I would definitely	

4	The staff of this Hotel Institution have my best interests at heart	1	2	3	4	5
	Reliability of staff					
1	The staff of this Hotel Institution provide a service with performance in a timely manner	1	2	3	4	5
2	The staff of this Hotel Institution show a sincere interest in solving my problems	1	2	3	4	5
3	The staff of this Hotel Institution perform the service right the first Time	1	2	3	4	5
4	The staff of this Hotel Institution are dependable	1	2	3	4	5
	Assurance of staff					
1	Complaints are received with a positive attitude	1	2	3	4	5
2	The behavior of employees at this Hotel Institution instills confidence in me	1	2	3	4	5
3	I feel safe in my transactions with employees at this Hotel Institution	1	2	3	4	5
4	Employees at this Hotel Institution are courteous	1	2	3	4	5
5	The staff at this Hotel Institution have the knowledge to answer all my questions	1	2	3	4	5
6	The staff at this Hotel Institution demonstrate professionalism about the service	1	2	3	4	5



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OFFICE OF THE DIRECTOR OF HUMAN RESOURCES

Date: Thursday 22th April, 2015

Mr. Mbago Ronald

The Head of Department,
Human Resources and supply management
Kampala International University
P.O BOX 20000, Ggaba Road
Kampala-Uganda

Dear Sir,

**RE: RESEARCH ACKNOWLEDGEMENT OF ARINITWE EVAN UNDER REG. NO.
BHR/ 37939 /123/DU**

With reference to your letter dated 30th -April-2015 in which you requested our Organisation to allow this student to conduct his Research Study in our Organisation, I am giving my consent to be part of his study entitled "*The effect of Organisation Culture on Employee Performance and Growth, A case of Speke Resort Munyonyo Common Wealth.*"

The purpose of this letter is therefore to acknowledge that the above student has conducted his research study at our premises for period of Two(20 months; he has collected relevant information through questionnaire, Interviews, observation and document analysis in relation to our manuals. It is our hope that he has received adequate data for his report during this period.

We thank you for entrusting us as a study area and we wish him a successful completion of his study, in case of any clarification refer to our office.

Truly yours,

**DIRECTOR OF HUMAN RESOURCES
Tel: +25641 417 760 000**