

# Evaluating the Concept of Organisational Culture: Power Distance Re-modification as a Tool for Public Institution Progress in Ghana

Derrick Opoku Danquah<sup>1\*</sup> David Amankona<sup>1</sup> Seth Adutwum Amo<sup>1</sup> Bonney Belinda<sup>1</sup>  
<sup>1</sup> University of Electronic Science and Technology of China, P.R. China  
Corresponding Author: augioforgio@yahoo.com

## ABSTRACT

Attempts to reform the public institutions from non-performing to performing status must also prioritize organisational culture. Previous efforts have focused mostly on structural, technological, human resources needs and few others to foster change in the public institution. However, these focus has not yielded the expected results especially in the context of Ghana. Plethora of research continually establishes organisational culture as a powerful tool to erupt tremendous positive reforms in the public sector primarily in enhancing performance. This current study attempts to review Hofstede's Culture model dimension of Power Distance. Based on the reviews of literature the emphasis by institutions on extremity of the power distance (high and low power distance) may have an implication on organisations regarding communication, control, performance, innovativeness, authority and power distribution. However, the discussions proposed that public institutions should moderate the high power distance in the Ghanaian context in order to overcome this gap which serves as threat to the effectiveness and efficiencies of the public institutions.

**Keywords-** Organisational Culture, Performance, Power Distance, Hofstede Model, Ghana.

## INTRODUCTION

Organisational culture is an essential tool for the progress and development of any institution. Cameron and Ettington (1988) posited that organisational culture has been linked to the long term financial success and improved effectiveness of organizations. Culture can be regarded as one of the elements that an organisation can build its competitive advantage around, and which competitors may have difficulty to surmount. (Zakari, Poku Owusu-Ansah (2013).

Every institution has a peculiar and almost unique culture that its employees and employers identify with. According to Tripathi & Reddy (2008) every organization has its own unique culture which is known as organization culture

or its sister term corporate culture which makes it distinguished from the other organizations. According to Cameron and Quinn (2006) each culture enjoys a unique language, symbols, rules, regulations and feelings that are different from that of other cultures. Gupta, Chuabey & Maithel (2012) asserts that management would like its employees to identify with the values, norms and artefacts of the organization.

The sustainability and progress of an organisation is also dependent on the organisational culture the firm or institution identifies with. The tremendous achievement and development of international, multinational firms and corporation can be attributed to its existing strong culture. Gupta, Chuabey &

Maithel (2012) speculated that sustained superior performance of firms like IBM, Hewlett-Packard, Procter & Gamble, and McDonald's may be, at least partly, a reflection of their organizational cultures. A strong and distinctive organizational culture is regarded as among the key components leading to a successful company (Trice and Beyer, 1993). In contrast, organisation that has failed early in its life cycle can be attributed to its weak culture although other factors may hold. In other words, an organisation with cultures that support its goals, strategies and objectives has a greater potential for development in contrast to organisations with culture that does not support or limitedly support its goals and objectives. Kotter and Heskett (1992) in their effort to provide empirical and more systematic evidence on performance differences had financial analysts identify the firms they considered most successful and then describe the key factors discriminating these firms from those that were less successful. Seventy four analyst out of total number of seventy five concluded that organisational culture was a key factor.

The usefulness and essence of an organisational culture as building block for organisational development has attracted plethora of research. Organisational goals can be achievable when individual thoughts, values and beliefs are linked with that of the organisation. Abbet, Coldham and Whisnant (2010) proposes that relevance of understanding organisational culture is demonstrated through the congruence hypothesis, which states that individuals are more effective when their personal competencies align with the cultures of the organizations in which they work. This gives credence to the essence of investigating and adopting supporting and favorable culture in institutions or firms.

Organisational culture serves as a bedrock for driving institutional goals and objectives. Hofstede (1997) posited that culture influence how people behave and think and it is relevant therefore to understand culture within an organisational context. Ghana with a status of a developing country has public institutions which are often described as lagging behind performance in terms of capacity to achieve the major objective of serving the public needs. The

activities of public sector are often described as lacking its central goal of satisfying public needs and are considered less efficient. The public sector faces enormous challenges in its effort and drive towards progress and development due to its less supporting culture. The failure of past reform efforts has led to a number of studies arguing that engagement with public-sector reforms in isolation from the broader civil service culture would have only limited effect, and stressing the need for understanding the context as it affects the enabling environment for capacity development (DAC Network on Governance, 2006). In Ghana, anecdotal evidence suggest that most public sector employees develops a person centered culture where individual goals and personal desires and gratification are highly prioritized than the institutional goals and objectives. Most public institutions defined within the bracket of poor performing institutions are credited with the problem of weak organisational culture reflecting in the less supporting behavior and attitude of its employees. Owusu (2006) suggested that public-sector reforms in Africa must also include deliberate strategies to change organisational cultures in addition to addressing initial causes of problems that are unrelated to its organizational culture.

The dependence or reliance on organisational culture as a drive to foster progress or development as most literatures suggests in the public sector create a necessitation for public sector anywhere to emulate and implements its own national or local culture elements in its models that can foster its development. In other words, adopting a foreign cultural model as a yardstick for public organisation everywhere may be problematic since institutions may have diverse culture determined by array of local, national and international experiences. Similar assertions were pointed out by Fouriee and Poggyenpoel (2017) regarding why public sector reformation mission in African countries has experienced little or slow progress. According to him, such occurrences is as a result of the developing world's attempt to implement developed world reform models. Van de Walle 2008 also affirmed that what may work in one country may not work in another because

cultural environment differs. Attempts by most institutions to find befitting cultures remains a difficult task due to existence of dominant colonized and western cultures defined and already emulated in the public institutions. Therefore, it is imperative organisational culture of the public institutions should be linked to the local or national cultural background rather than wholly importing cultures measured as primary to organisational success in other different jurisdictional public institutions settings.

Based on this background and the established essence of studying organisational culture, this research attempts to delineate the concept of organisational culture. Again, it would focus on reviewing related studies that establish a relationship between organisational culture and performance in varying contexts. The rest of the article will examine Hofstede culture model with complete emphasis on power distance culture dimension. This section makes a case in deciphering the power distance as a device to erupt reforms in the public sector or improve performance in the public sector. The last section presents a discussion and recommendations for designing public-sector reform strategies based on reforming the power distance dimension.

This study is significant for further and future research on identifying and establishing organisational culture in the public sector in Ghana. Furthermore, it will aid in establishing local organisational culture standards and specification that can serve as a driving force for an organisational development other than wholly adopting other distinct culture standards and elements which are none or less representative of our local public sector context.

### **Organisational Culture**

The concept of organisational culture has been defined in diverse ways. However, it appears the exhaustive definitions from proponents emanates and conclude from similar perspective on the scope of the concept. However, the components of the various definitions by proponents' results in different models proposed for studying or assessing the organisational culture of an entity. Schein (2004) one of the earliest proponent on the subject matter defines organisational culture

as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems.

### **Relationship between Organisational Culture and Performance**

The implications and relevance of the organizational culture for institutions and organizations continue to attract researches with varied focus and attention. Predominant among these focus areas is the link between organisational culture and performance involving plethora of research with conclusive findings.

Gupta, Chuabey & Maithel et al (2012) explored relationship between organization culture and job performance. The hypothesis that impact of organizational cultural factor does not differ significantly across organisation outcome as perceived by organisation were not supported. The implication of the study was that appropriate organizational cultural variable should be promoted in the organization to enhance the employee's productivity and in turn improving organisational performance.

Similarly Uddin, Luva and Hossian (2012) explored the impact of organizational culture on employee performance and productivity from the perspectives of multinational companies operating in the setting of Bangladesh in South Asia. The paper argued that organizational culture significantly influences employee performance and productivity in the dynamic emerging context.

In other perspective, Magee (2002) argued that organizational culture is inherently connected to organizational practices; therefore organizational performance is conditional on organizational culture. Devanadhen and Sofi (2015) study revealed that organizational culture affects organizational performance directly and significantly in certain cultural dimensions such as bureaucratic, community, competitive and innovative. Zakari, Poku and Owusu-Ansah (2013) in their works discovered that

organisational culture was positively related to organisational performance in the of banking sector in Ghana, with most of the culture variables showing strong to moderate positive relationship with the organisational performance items.

Again, Bekoe (2013) study conducted on Ghana Education Service in Accra investigated whether the organization's culture had any relationship with the performance. The findings of the study were that the existing culture does not mirror the preferred culture; it was also established that the organization's culture and performance have a mutually reciprocating relationship.

## **ORGANISATIONAL CULTURAL MODEL**

### **Deciphering Hofstede Cultural Model - Power Distance**

High and Low Power Distance: This refers to the degree at which the less influential (subordinates, employees) members of an organisation within a country imagine and always feel liable when things go wrong; superiors overtly showing their ranks; the relationship between acknowledge that power is distributed unevenly (Hofstede, 1991). Power is unstable and it tends to change where people are - for instance a man is expected to be a superior at work place and also a father in a family unit (Hofstede, 2001).

Typically, there are characteristics of high power distance culture that distinguish it from a low power distance culture. The relationship pattern between employers, top management or top hierarchical employees and subordinates or employees or low level employees' members is not moderately close in a high power distance culture which creates common divisions. In a low power distance culture, responsibility is often shared between managers and employees, and employees can be entrusted with special tasks which are far-fetched in a high power distance culture. Managers or individuals in high positions tends to exhibit high regard and relatively high trust for low level employees or subordinates.

Kathri (2009) investigation on power distance orientation and its impact on a variety of

organisational behaviours discovered the following

1. "There will be less employee participation in a high-power distance organisation than in a low power distance organisation from unwillingness to participate in decision.
2. Jobs are narrowly and tightly specified, giving employees little discretion.
3. Communication takes place vertically downwards; informal and horizontal communication is quite limited.
4. Power distance gives senior managers unlimited power and control over subordinates.
5. Older and senior employees get respect from junior employees because of their age and long tenure in the organisation.
6. Top managers have not to justify or defend their decisions to lower level employees or to the larger organisation which can results in an unethical behavior.
7. Managers in a high-power distance organisation tend to meddle and even minor decisions go to the top. Thus, higher level managers are inundated with routine decisions.

Alajmi (2011) study results have shown that high power distance has an effect on control in terms of delivering services quality regulated by centralized performance control through performance gap. This means that the increase in power distance leads to an increase in centralized performance control in an association with performance gap. As part of the research objectives, it was discovered that high power distance has an effect on information flow in terms of hierarchical information gathering and sharing through high information gap as a partial mediator.

In a culture where power distance is low the organizations are less hierarchical, the employees are given free choice, and they have more autonomy as compared to high power distance culture, and they are pleased when their

preferences are fulfilled from the organization (Lee & Antonakis, 2012). Peterson et al. (1995) found that employees in high power distance culture are “context-sensitive” and they are found as more loyal to authority, also they are not too much jealous about value choices.

The overwhelming cling to the cultural normative standards in a local, national and institutional jurisdictions is also demonstrated in some researches. Gul et al (2018) study hypothesized that power distance moderates the relationship between person environment fit and job satisfaction. Contrary to expectation, power distance does not moderate the hypothesized relationship. Further, the study found that individual's satisfaction from high power distance culture depends on their cultural norms because they give more preference to cultural norms than their own needs and demands.

Brenyah and Oboubisa Darko (2017) study revealed that power culture has a significant, but negative relationship with employee engagement. However, the research pointed out some implications of their works for authorities of public organizations in Ghana. Organisational culture should be prioritized when designing policy framework since it has a high tendency to engage employees at work. Power culture should be designed to reflect both top down interaction other than traditionally centralizing authority in the leaders since it has significant and negative effect on employee engagement. In order for culture to be appreciated by employees resulting in their maximum commitment and retention authorities and policy makers should develop cultures that are consistent with employees' interest.

## **RESULTS AND DISCUSSION**

Plethora of research continually establish the necessity of organisational culture as a bedrock for the performance, progress and advancement of any institution. Attempts to reform the public institutions to perform effectively and efficiently in Ghana has mainly focus on structural changes with limited emphasis on reforming or enhancing the existing organisational culture. It is however essential to establish that the drivers needed for public service reformation may range from varied perspective including economic,

technological and resources needs (human resources, materials ) and not limited to these perspectives. There is essence to embark on shift of focus to study organisational culture in the public institutions as a major tenet to generate the expected outcome. In essence organizational culture can be employed as a framework for pursuing organisational change. The feasibility of embarking on this organisational change in the public institution becomes a major concern. Such concerns are addressed by Wilkins and Ouchi (1983) who pointed out that organisational culture is more amenable due to the alternative culture orientations members are exposed and such learning of culture occurs in the adulthood. Wilkins and Ouchi (1983) argued, organisational cultural change is difficult, but not impossible. Overwhelming evidence from both private and public sector organizations shows that organizational culture can indeed be changed. (Kotter1996, Rainey 1996).

Power distance features posited by Hofstede in his cultural model has to be critically assessed to decipher it effects on the performance of public institutions in Ghana. Ghana's culture is considered as one with a very high power distance as revealed by Ansah (2015) on exploring Hofstede cultural dimension. Interestingly, there are plethora of researches that has reached consensus on impacts or effects of power distance on institutional performance. Power distance tends to influence employees participation in decision making, information sharing, and communication channel, determine extent of authority, power distribution between management and subordinates, job description or product or service specification and standardization. House et al. (2004) research established that low power distance encourages information gathering and sharing. However, Altayab (2007) also found a link between the high power distances with information gap. The research outcome indicated that the flow of information in an organization moves through hierarchical behaviors and practices. Employees or members tends to harbor a feeling of disconnection as they regard their presence in their corporation or organisation as seemingly less important in a high distance culture. Dissimilarly, employees or individuals make

every effort to balance the power distribution and protest in the events of sense of power inequalities in a low power distance (Hofstede, "National Culture"). Kathri (2009) discovered that in a high power distance culture there is less employee participation, jobs are narrowly and tightly specified, vertically downwards communication., unlimited power of managers and control over subordinates, no essence of top managers to justify their decisions to lower level employees or to the larger organisation which can results in an unethical behavior. Brenyah and Oboubisa Darko (2017) confirmed a significant but negative relationship between power culture and employee engagement. Gul et al (2018) contrary to their expectation, power distance does not moderate the relationship between person environment fit and job satisfaction. Brockner et al. (2001) found out that employee from large power distance cultures have less participation in their work processes than employees from low power distance.

However, the implication are that managers should institute measures to moderate the effect of power distance on employees' participation. At the individual level, employees in public institutions in Ghana are provided limited opportunity or discretion to participate or involve in strategic and operational decisions since decisions are made or emanate from the top level of the organizations or are put across by the government. There are therefore limited avenues for middle management and low level employees to make innovative decisions that will improve service delivery in the public institutions. This gives credence to Brenyah and Oboubisa Darko (2017) whose study points out that power culture should be designed to reflect both top down interaction other than traditionally centralizing authority in the leaders. Moreover, high and low power distance orientation has a tendency to influence how employees behave in an organisation. . Zagenczyk et al (2015) argued that employees with high power distance orientations will be more likely to respond passively to psychological contract breach (loyalty and neglect), whereas employees with low power distance orientations will be more likely to

exhibit active responses to psychological contract breach (exit and voice). In effect, this finding is a call on policy makers and stakeholders of public institutions to be critical on behaviors or reactions of employees. Passive reactions of employees on matters that bothers on their wellbeing could be rechanneled in other ways such as less supporting behavior that does not auger well for the public institutions.

At the organisational level, it is essential to emphasise that local cultural values still play an important role in the culture of the public institutions. Absolute departure from existing culture is not required but insights into power distance effects and consideration for re-modification should be prioritized. Moreover, it may be useful for organisations to adopt power distance culture dimensions or features for moderation in the Ghanaian context to promote a supporting working environment where both employees and top managers would be able to contribute in their full capacities. Clinging to the extremity of high power distance culture elements results in communication gap, information gap, performance gap, less innovativeness, limited accountability from managers which may hamper the progress of public institutions. McKenna (1998) points out that managers in a high power distance cultures requires employees to engage their tasks as they expected and are not encourage to make any independent decision but to resort to managers to resolve any emerging issues. A new power distance moderating reform can engage employees to meaningfully participate in decision making on issues that bothers on good service delivery, product and service specification and that discourage a culture of over dependence on managers for solutions to routine decisions.

## REFERENCES

- [1]. Abbett L., Coldham A., Whisnant R. (2010) Organizational culture and the success of corporate sustainability initiatives: An empirical analysis using the competing values framework (unpublished M.Sc dissertation) University of Michigan.
- [2]. Altayab, Y., 2007. Effects of National Culture on Service quality: Towards a Model

- in the hotel Sector, Twente University, Netherlands
- [3]. Alajmi, S. (2011) The Effect of National Culture on Service Provision (Doctoral dissertation). Brunel University. London UK
- [4]. Ansah, O. M. (2015). Cultural Dimension in Marketing Managers' Decision Making: An Application of Geert
- [5]. Brenyah, R.S. & Obuobisa-Darko.T (2017) Organisational Culture and Employee Engagement within the Ghanaian Public Sector. *Review Pub Administration Manag* 5: 233. doi:10.4172/2315-7844.1000233
- [6]. Bekoe, R. (2013). Organizational Culture and its Relationship to Organization Performance in Ghana Education Service Head Office – Accra. *International Journal of Technology and Management Research*, Vol. 1, No. 2, p. 95-104.
- [7]. Brockner, J., Ackerman, G. And Fairchild, G., 2001. When do elements of procedural fairness make a difference? A classification of moderating influences. *Advances in organizational justice*, pp. 179–212.
- [8]. Cameron K, Quinn R. (2006); *Diagnosing and changing organization culture*, Revised Edition, Jossey-Bass, San Francisco.
- [9]. Cameron, K. S., & Ettington, D. R. (1988). The conceptual foundations of organizational culture. In: Smart, J. C. (Ed.), *Higher education: Handbook of theory and research* (Vol. 4, pp. 356–396). New York: Agathon Press
- [10]. DAC Network on Governance (2006). *The Challenge of Capacity Development: Working Towards Good Practice*. DCD/DAC/GOVNET (2005)5/REV1. Paris: Organisation for Economic Co-operation and Development.
- [11]. Devanadhen, K. & Sofi, M.A (2015). Impact of Organizational Culture on Organizational Performance: an Empirical Assessment of Banking Sector in Jammu and Kashmir India. *International Journal of Innovative Research & Development*. Vol. 4, Issue 9.
- [12]. Fourie, D. & Poggepoel W. (2017). Public Sector Inefficiencies [Are we addressing the root causes? *South African Journal of Accounting Research*.
- [13]. Gupta, D., Chuabey, D.S. & Maithel, N. (2012). Impact of Organization Culture on Employee Motivation and Job Performance. *International Journal of Research in Commerce and Management*, Vol No.3 Issue No.5
- [14]. Gul, H., Usman, M., Liu, Y., Rehman, Z., & Jebran, K. (2018). Does the effect of power distance moderate the relation between person environment fit and job satisfaction leading to job performance? Evidence from Afghanistan and Pakistan. *Future Business Journal*. pp.68-83
- [15]. Hofstede Index for Ghana. *European Journal of Research and Reflection in Management Sciences*, 3(2),
- [16]. Hofstede, G., & Rottgers, C. (2012). National Culture. Retrieved July 30, 2018, from <http://geert-hofstede.com/national-culture.html>
- [17]. House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W. And Gupta, V., 2004. *Culture, leadership, and organizations*. Sage Publications Thousand Oaks, Calif. HOUSE, R.J., HANGES.
- [18]. Khatri, N. (2009). Consequences of Power Distance Orientation in Organisations. *The Journal of Business Perspective*. Vol. 13, No. 1
- [19]. Kotter, J. P. and J. L. Heskett (1992) *Corporate Culture and Performance*, New York: Free Press
- [20]. Magee, K. C. (2002). The impact of organizational culture on the implementation of performance management. Doctoral dissertation.
- [21]. McKenna, S., 1998. Cross-cultural attitudes towards leadership dimensions. *Leadership & Organization Development Journal*, 19(2), pp. 106-112.
- [22]. Mulder, M., 1971. Power equalization though participation. 16(1), pp. 31-38.
- [23]. Samantha Hickey. *Power Distance in Cross Cultural Workplace*. National College of Ireland.

- [24]. Owusu, F. (2006) Differences in the Performance of Public Organisations in Ghana: Implications for Public-Sector Reform Policy. *Development Policy Review*. 24 (6): 693-705
- [25]. Schein, E. M. (2004). *Organizational culture and leadership* (3rd Ed.). Jossy-Bass.
- [26]. Trice, H.M. & Beyer, J.M. (1993). *The culture of work organizations*. New Jersey: Englewood Cliffs Prentice Hall.
- [27]. Tripathi, P. C., & Reddy, P. N. (2008). *Principles of Management*. New Delhi: Tata McGraw Hill.
- [28]. Uddin, J.M., Luva, H. R & Hossian, M.S. (2012) Impact of Organizational Culture on Employee Performance and Productivity: A Case Study of Telecommunication Sector in Bangladesh. *International Journal of Business and Management*; Vol. 8, No. 2; 2013
- [29]. Wilkins, A. L. and Ouchi, W. G. (1983) Efficient Cultures: Exploring the Relationship between Culture and Organizational Performance. *Administrative Science Quarterly* 28 (3): 468-81.
- [30]. Zagenczyk, T. J., Cruz, S.K, Cheung, J.H, Kristin L. Scott, L.K., Kiewitz, C. & Galloway, B. (2015) The moderating effect of power distance on employee responses to psychological contract breach, *European Journal of Work and Organizational Psychology*, 24:6, 853-865, DOI: [10.1080/1359432X.2014.961432](https://doi.org/10.1080/1359432X.2014.961432)
- [31]. Zakari, M & Owusu-Ansah, K.P.W. (2013). Organizational Culture and Organisational Performance: Empirical Evidence from the Banking Industry in Ghana. *International journal of Business, Humanities and Technology*. Vol. 3. No.1 PG 95-107.