



Cultural Dimensions and Organizational Performance: Evidence from Listed Manufacturing Firms in Nigeria

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Abstract: *This study aims to investigate how cultural dynamics influences organizational performance as mediated by organizational innovation. The study employed longitudinal research design. Data was gathered from 313 management staff members of manufacturing companies listed in Lagos State, Nigeria. Analysis of the data was conducted using structural equation modelling (PLS-SEM). The findings of the study indicate a positive and statistically significant relationship between cultural dynamics and organizational performance as mediated by organizational innovation. As a recommendation, the study suggests that organizations should prioritize the creation of conducive work environments for their employees, particularly emphasizing aspects such as organizational innovation, clan culture, power distance and market culture.*

Keywords: Organizational Performance; Organizational innovation; Clan culture, Power distance and Market culture

1. Introduction

Organization performance and long term business survival depends on organizational innovations and other factors such as clan culture, market culture and power distance. This performance depends on employees' competence to transform the resources and to effectively and efficiently achieve the organizational objectives. Therefore, organizational culture is as a key process to achieve organizational performance in a business environment. The effectiveness of an organization relies on the competency of its management to implement organizational innovation. However, the technique use by the managers to direct its employees should be flexible enough to accommodate any changes requirement. The success of an organization is contingent upon its workforce, comprising individuals who play a vital role within the organization and collectively strive to attain its objectives. Hence, cognitive competencies of both managers and employees to use the firm innovations will be considered vital for achieving organizational performance (Outa

& Kutubi, 2021). Scholarly attention in the finance domain has increasingly focused on the pivotal role of organizational culture as a precursor to organizational performance. Researchers have underscored the significance of cultural antecedents in driving performance, with various studies (Kaya, 2018; Eshna, 2023; Drucker, 2019; Yusof, 2020; Mooji & Hofstede, 2020) highlighting how robust organizational cultures foster consistent innovation. In today's fiercely competitive business landscape, organizations are prioritizing survival and sustainability while workforces seek avenues to bolster creativity, innovation, and competitiveness. Wong (2019) argues that the development of organizational culture is influenced by both internal organizational dynamics and external environmental factors, a sentiment echoed by Barney (2018), who emphasizes the strategic importance of organizational culture in shaping a company's competitive edge. Indeed, organizational culture is widely acknowledged as a valuable, rare, difficult-to-replicate, indispensable resource within the framework of the resource-based view of organizations. Zuckerman (2022) suggests that companies with strong cultures typically demonstrate more consistent organizational performance compared to those with weaker cultures.

Expanding on this matter, using clan culture as a representative measure of organizational culture can impact organizational performance. A positive internal rapport between management and employees within a clan culture fosters a shared identity and a congenial work atmosphere. This, in turn, promotes loyalty, moral values, teamwork, collaboration, active participation, flexibility, unity, and consensus, all geared towards attaining the organization's goals and objectives (Ibid, 2017). Consequently, this study aims to evaluate the influence of clan culture, mediated by organizational innovation, on organizational performance in Lagos State, Nigeria.

In relation to this issue, power distance plays an important role in shaping the dynamics of relationships, interactions, and communication between managers and employees within an organization. It significantly influences decision-making processes, the hierarchical structure of the organization, and the degree of centralization, thereby impacting employees' attitudes and behaviors towards achieving the organization's goals and objectives. Nikbin (2019), cultures characterized by high power distance typically favor bureaucratic systems and emphasize hierarchy and authority. Conversely, cultures with low power distance indices tend to endorse flat organizational structures and decentralized decision-making responsibilities. Organizations embracing a participative management style demonstrate enhanced performance compared to those with a high power distance (Yusof, 2020). Studies by Galariotis & Karagiannis (2020), Hofstede (2019), Zuckerman (2022), Mahfouz & Muhumed (2020), Waterman & Peters (2019), Xia (2018), and Yesil & Kaya (2017) have indicated that individuals at the lower levels of organizational hierarchy generally prefer a system that distributes power more equitably. Conversely, those at the top of the hierarchy tend to resist any changes that might diminish their accumulated power, potentially impacting organizational performance. Therefore, the aims of this study is to explore the influence of power distance, mediated by organizational innovation, on organizational performance in Lagos State, Nigeria.

More often than not, market culture serves as a catalyst for fostering healthy competition among employees, promoting individual growth, and cultivating stronger relationships through shared experiences of competition, which, in turn, enhances sportsmanship skills in both victories and defeats. Workplace competition emerges as a significant driver of innovation and employee

motivation. Market culture, as a form of organizational culture, actively supports and nurtures competition, potentially fueling organizational innovation and fostering a climate where employees vie for various benefits or accolades (Cameroon & Quinn, 2020). Consequently, grasping the implications and applications of market culture can contribute to enhancing organizational performance. As such, this study seeks to evaluate the effect of market culture, mediated by organizational innovation, on organizational performance in Lagos State, Nigeria.

Finally, achieving sustainable high performance is closely tied to organizational innovation. Organizations that integrate sophisticated computer-based systems into their operations are poised to enhance their performance significantly. However, the effective utilization of such technology requires adequate resources, including trained employees and manageable operating costs, which can also influence organizational performance. Consequently, technologically advanced organizations are likely to achieve superior performance compared to their counterparts. Therefore, this study aims to examine the effect of organizational culture, mediated by organizational innovation, on organizational performance in Lagos State, Nigeria.

Literature Review

2.1 Conceptual Review and Clarifications

In this study, organizational culture is characterized by a four-conceptual framework. These are: "Power distance" is the degree of social hierarchy present within a society. The power distance index (PDI) assesses the level of acceptance among individuals at lower hierarchical levels towards the unequal distribution of social status or power within society (Cameron, 2018).

Expanding on this concept, clan culture represents a specific corporate culture or organizational structure wherein all employees possess equal power, fostering a familial mindset among the staff. Organizations with a clan culture often make decisions collectively and promote a highly collaborative mindset. Work environments characterized by clan culture are typically collaborative and non-competitive. Some companies adopt a clan culture to empower employees, encourage teamwork, prevent burnout, and enhance retention. Stefan and Adam (2023) define clan culture as an organizational culture that nurtures a sense of unity and cooperation, creating a business environment where employees feel connected and motivated to contribute to the organization's success. Embracing a clan culture enables organizations to establish themselves as industry leaders by cultivating a positive workplace that fosters collaboration, innovation, and a shared dedication to excellence. Furthermore, according to Barnes (2022), market culture is characterized as a corporate culture that emphasizes fostering a competitive atmosphere, not only externally with market rivals but also internally among employees. Rachel (2022) also defines market culture as an internal management theory aimed at achieving external outcomes, with the primary goal being to drive profitability and outperform competitors. By cultivating an internal culture of competition, known as "Market Culture," the theory posits that motivation, employee productivity, and focus will increase, leading to improved external results and profits. Market culture prioritizes results, focusing on winning competitions, increasing market share, and achieving market leadership.

The term "innovation" is often conflated with "invention." As Lin (2017) explains, innovation originates from the Latin word "innovare," meaning to make something new. Drucker (2020) defines organizational innovation as a specific tool utilized by entrepreneurs to capitalize on change within a diverse business or service context. He stresses that innovation is a skill that can be developed and put into action. Essentially, innovation encompasses new ideas, practices, or objects perceived as novel by individuals or other adopters. Similarly, Tidd, Bessant, Pavitt, and Wiley (2019) define organizational innovation as the organization's ability to convert opportunities into new ideas and effectively implement them. This aligns with Bentz's (2017) assertion that organizational innovation involves introducing modern method of operations. Afuah (2018) argues that dynamism involves utilizing new technical and administrative knowledge to provide customers with innovative products or services. Wang and Ahmed (2021) define organizational innovativeness as the capacity to introduce modern technology. On the other hand, innovation enables managers to address business problems and challenges, thereby facilitating the firm's survival and success, whether in the present or future (Burns & Stalker, 2018).

Finally, Verma (2023) defines organizational performance as a subjective assessment of how effectively an organization utilizes its assets within its core Business operations are activities undertaken by a company to generate income. This term also serves as a broad measure of an organization's financial health during a particular period. Likewise, Eshna (2023) explains organizational performance as the degree to which financial objectives are met or have been met, representing a key aspect of financial risk management. It entails quantifying the results of a company's strategies and actions in monetary terms. This metric is used to assess an organization's overall financial condition over a specific timeframe and enables comparisons between similar firms within the same sector or across different sectors.

2.2 Empirical Review and Hypothesis development

2.2.1. *Clan culture and organizational performance*

Enterprises are compelled to engage in innovative activities due to environmental uncertainty and dynamic change, leading to improvements in organizational performance. However, existing research suggests that the connection between organizational culture and performance is intricate, often shaped by the impact of firm innovation. Kaya (2018) underscores that clan culture can profoundly impact organizational performance for two primary reasons. Firstly, clan culture cultivates values that facilitate the sharing of novel ideas and knowledge exchange. This, in turn, enriches the firm's knowledge base. Additionally, Huang and Rice (2018) observe that the relationship between innovational input and organizational performance is not deterministic, as it is influenced by internal, external market and environmental factors. Similarly, Otero (2017) suggests that in stable environments, stakeholders may resist change, potentially leading to the negative impact of enterprise innovation on performance. Abdullahi (2021) further emphasizes that organizational rigidity can impede innovation activities, affecting the entire industry. In stable competitive environments, industry leaders typically prioritize gradual market cultivation rather than disruptive innovation.

Adding to this issue, Yesil, Samson, and Wale (2020) investigated the link between training cultures and firm performance in Nigeria, reporting significant differences from other studies in the same area, highlighting the relevance of their investigation. Calantone (2022) surveyed senior executives across various US industries, using firm innovativeness as a moderating variable affecting financial performance, with results indicating a significant influence of organizational culture mediated by organization innovativeness on organizational success. Sackmann (2019) analyzed the effect of cultural characteristics and organizational effectiveness among communication and technology firms in Tanzania, revealing significant positive relationships between cultural characteristics and firm performance metrics. Similarly, Suppiah and Sandhu (2021) suggest that as the firm's knowledge base expands, organizational capabilities and performance are likely to improve. However, Asiaei (2021) reported conflicting results, indicating that there is no positive relationship between clan culture and corporate effectiveness, the study suggests the need for further empirical research. Consequently, the initial hypothesis is presented as follows:

H₁: A significant positive correlation does not exist between clan culture and organizational performance.

2.2.2. Power distance and organization performance

Existing literature indicates that power distance can have a notable impact on organizational effectiveness in various ways. For instance, higher levels of power distance, requires a bureaucratic organizational setup (Lee & Antonakis, 2019), may hinder organizational responsiveness to evolving customer demands. This is because minor deviations from established procedures may require hierarchical approval, thus slowing down the organization's ability to adapt. Additionally, organizations with a high level of bureaucracy might not have the flexibility needed to respond to changing customer needs (Fekete, 2018), potentially leading to adverse effects on performance. Similarly, Diao (2018) examined the effect of corporate dynamism on supply chain, the findings revealed that clan culture and power distance directly influenced internal integration and custom homogenization. Muhammed (2020) conducted a literature review and concluded that organizational dimensions has a substantial influence on organizational effectiveness. Furthermore, previous studies by Bocskei (2017), Ghanavati (2018), Mahfouz (2019), Sharma (2020), and Birkinshaw (2021) have argued that power distance adversely affects firms' financial performance. This enables the researcher to state hypothesis two as follows:

H₂: No significant relationship between power distance and organizational profitability.

2.2.3. Market culture and organization profitability

Waterman and Peters (2018) argue that organizations with a market culture tend to prioritize maintaining close connections with customers to achieve timely results, thus driving both short-term and long-term financial performance. Teece (2019) further suggests that firms with a market culture are adept at responding to dynamic environmental shifts by simultaneously exploring new ideas and exploiting existing knowledge, a concept known as ambidexterity. Neira (2019) argues that innovation is crucial for enterprise performance, especially in dynamic business environments where non-innovative firms face the risk of elimination. Yun (2020) explores the effects of firm

innovation on business performance in Italy, Spain, and Finland, discovering that the relationship between innovation and profitability is influenced by various industry-specific factors. Peters (2016) defines organizational culture as an intricate system of values, beliefs, and symbols shaping a company's business activities. This culture not only defines the identity of stakeholders but also dictates how the company interacts with them. Organizational culture is recognized as a critical factor impacting a company's structure and strategy, with a robust culture fostering motivation, creativity, and cohesion among employees. Moreover, a culture that values employee well-being enhances their sense of belonging and contributes to organizational performance. Furthermore, Drucker (2019) and Rogers (2017) highlight the importance of organizational culture in driving innovation, crucial for survival and financial performance in unpredictable business environments. Hurley and Hult (2016) emphasize the role of creativity and openness to new ideas in firm innovativeness, suggesting that a culture fostering innovation promotes product development and novel business approaches. Reilly (2015) and Zhao (2018) suggest that corporate cultures shape employee norms and facilitate the innovation process, fostering collaboration and teamwork. Moses and Maltz (2022) observe that a supportive organizational culture enhances financial efficiency. The prevailing opinion suggests that organizational performance is influenced by various factors rather than a single factor alone. Drawing from these discussions, the third hypothesis can be articulated as follows:

H₃: No substantial correlation between market culture and organizational profitability.

2.2.4. Organizational innovation and organizational profitability

Mone (2018) emphasized the importance of innovation for firms to gain a competitive edge and enhance performance. Similarly, Anning-Dorson (2018) argued that innovative firms are better positioned to meet evolving market demands and offer unique solutions compared to their counterparts. Taking these findings into account, the hypothesis fourth was formulated below:

H₄: There is no positive relationship between organizational innovation and organizational profitability.

Rowan, Tolbert, and Zucker (1980) lend credence to this study through the introduction of institutional theory, which posits that the institutional environment has a significant impact on the establishment of formal structures within organizations, often surpassing market pressures in influence. In this theory, innovative structures that enhance technical efficiency in pioneering organizations gain legitimacy within the environment. Over time, innovations become increasingly accepted to the point where not adopting them is seen as irrational and neglectful. As a result, both new and established organizations adopt these institutionalized frameworks, even if their immediate efficiency benefits are not apparent. The theory also proposes that in environments marked by high agreement and collaboration, the spread of innovative structures happens gradually and persists over time. Conversely, in contentious and unfocused institutional environments, the adoption of innovative structures is sluggish and hesitant.

3. Methodology

The research design employed in this study was longitudinal research design. This is a research design that entails observing the same variables repeatedly over an extended period. This research design was appropriate as it allows the researchers to identify changes or developments in the characteristics of the target population or respondent over time. This design was selected for its efficiency, offering a quick response and observe the same variable beyond a single point in time, as noted by Edward (2015). The study focused on a population of sixty-eight publicly listed manufacturing firms on the Nigeria Exchange Group. This population was further categorized based on sector and product type, encompassing consumer goods, industrial goods, conglomerates, natural resources, and healthcare. The sample size for each sector and respective firms was determined using Kerjcie and Morgan's (1967) method, as detailed in Table 1. To ensure equitable representation from each manufacturing firm, management staff were selected through telephone inquiries with their respective human resource departments. The number of staff chosen for the survey was obtained from the organizations' annual reports and websites, as some did not provide this information during initial communication with the researcher. The information gathered from the survey was then assessed through the utilization of structural equation modelling (PLS-SEM).

Table 1 Determination of Population and Sample Size for the study

S/N	Sectors	Number of Firms	Sampled Firms	No. of Staffs Selected
1	Consumer Goods	28	14	158
2	Industrial Goods	21	9	68
3	Conglomerates	6	3	43
4	Natural Resources	4	2	35
5	Health care	9	5	46
	Total	68	33	350

Source: Nigerian Exchange Group, (2023)

4. Discussion of Results

The total number of 158 questionnaire was administered to employees across 14 industrial goods companies, resulting in 146 responses received by the researcher, indicating a response rate of 92.41%. Similarly, 68 questionnaires were distributed to employees of 9 industrial goods firms, with the researcher achieving a response rate of 86.76%. Furthermore, 43 questionnaires were distributed to staff in 3 conglomerate firms, and the researcher obtained 38 responses, representing an 88.37% response rate. In addition, 35 questionnaires were distributed to employees of 2 sampled firms in the natural resources sector, with 29 staff members responding, yielding an 82.86% response rate. Lastly, 46 questionnaires were distributed to employees in 5 registered healthcare sector firms, and 41 responses were received by the researcher, accounting for an 89.13% response rate.

Table 2 Distribution of Questionnaire to Companies

S/N	Sectors	Number of Response	Percentage Achieved
L	Consumer Goods	146	92.41

2	Industrial Goods	59	86.76
3	Conglomerates	38	88.37
4	Natural Resources	29	82.86
5	Health Care	41	89.13
	Total	313	89.43

Source: Author's Survey, 2024

The data presented in Table 3 suggests that 75% of the surveyed individuals are male, indicating a higher representation of males in the industry compared to females, who make up only 24.92% of the respondents. In terms of age distribution, 11.2% of respondents are under 30 years old, 48% are between 31-40 years old, 28% are between 41-50 years old (with 14% falling within 35-40 years old, and 9% aged 46 years and above), indicating a mature demographic capable of independent decision-making. Moreover, Table 4.2 highlights that 45% of respondents are male, while 65% are female. Additionally, educational attainment varies among respondents, with 14% holding first school leaving certificates, 29% having SSCE certificates, 24% possessing OND or NCE certificates, 25% holding Bachelor of Science degrees, and 8% having Master of Science degrees or Master in Business Administration certificates. Furthermore, Table 4.2 indicates that 47% of SME owners are engaged in trading activities, 30% are involved in manufacturing or agro-allied products, 20% focus on service businesses, and 3% are involved in other types of transactions.

Table 3 Demographics Characteristics

Variables	Category	Participants	% of Response
Sex	Male	235	75.08
	Female	78	24.92
	Total	313	100
Age	Less than 30 years	50	11.18
	31-40 years	150	47.92
	41-50 years	88	28.12
	Greater 50	25	7.99
	Total	313	100
Education	Intermediate	32	10.22
	Bachelor	172	54.95
	Masters	76	24.28
	M.Phil./Ph.D.	33	10.54
	Total	313	100
Staff Grade Level	Assistant Manager	83	26.52
	Deputy Manager	79	25.24
	Manager	75	23.96
	Senior Manager	43	13.74
	General Manager	33	10.54

	Total	313	100
Working Experience	Less than 3 years	31	9.90
	3 - 5years	66	21.09
	6 – 10 years	93	29.71
	10years and Above	123	39.30
	Total	313	100

Source: Author`s Computation, 2024

Correlation matrix

Table 4 provides descriptive statistics and correlation coefficients for the variables measured in the study. The mean score of 1.81, coupled with a variations of 0.42, suggests that participants generally express high satisfaction with the performance scale, indicating low variability in their responses. Additionally, the mean score of 1.83, with a standard deviation of 0.49, suggests that employees aspire for a work environment characterized by equal power dynamics and a familial atmosphere, without intimidation. The power score, with a mean of 1.86 and a standard deviation of 0.78, indicates a preference for reduced imposition of power by superiors in hierarchical structures, albeit with some degree of variance. Similarly, the mean score of 1.87 for market culture, with a standard deviation of 0.99, suggests that organizations maintaining close contact with customers, as indicated by a mean value of 1.88 with the standard deviation of 0.55, this implies that organizations are likely to achieve timely results and gain a competitive advantage over rivals if they continuously innovate. In conclusion, correlations between organizational performance and various factors like clan, market culture, and organizational innovation indicate a direct and significant positive relationship, suggesting that these factors have significant positive associated with organizational performance.

Table 4: Descriptive Statistics, Correlation and Discriminant Validity

Variables	Mean	Std. Dev	1	2	3	4	5
Organization profitability	1.81	0.42	0.83				
Clan culture	1.83	0.49	0.517	0.88			
Power culture	1.86	0.78	0.504	0.583	0.97		
Market culture	1.87	0.99	0.032	0.079	0.205	0.98	
Organizational innovation	1.88	0.55	0.603	0.57	0.79	0.250	0.56

Note: Std. Dev = Standard deviation. Correlation is significant at the 0.05 level (2-tailed).

Source: Author`s Computation, 2024.

Reliability Test using Cronbach's Alpha

Table 5 displays the Cronbach Alpha coefficients for each of the mentioned variables, which are notably high, measuring at 0.813, 0.863, 0.821, and 0.741 for clan culture, power distance, market culture, and firm innovation, respectively. The overall Cronbach's alpha coefficient is calculated as 0.809, surpassing the threshold of 0.70. This suggests that the items in the scale are measuring a consistent underlying construct and can be considered reliable within the context of the sample (Pallant, 2007).

Table 5 Reliability Test using Cronbach's Alpha

Constructs	Cronbach's alpha	N
Clan culture	0.813	5
Power distance	0.863	5
Market culture	0.821	5
Organization innovation	0.741	5
Overall	0.809	20

Source: Author's Survey, 2024.

Table 6 illustrates the relationships between different variables, presenting the estimated path coefficients and their associated t-values. The study incorporates three independent variables related to corporate culture and assesses their impact on organizational profitability, while also examining the indirect influence of market culture on organizational performance through organizational innovation. The model highlights that organizational innovation and clan culture significantly influence organizational profitability at a significance level of $p < 0.05$ ($t = 2.251$). Similarly, power distance and market culture also demonstrate a significant influence on organizational performance, contrary to previous research (Fekete, 2018; Lee & Antonakis, 2019), suggesting the potential effectiveness of authoritarian styles in enhancing firm performance. Furthermore, Table 6 indicates that a market culture influences organizational innovation significantly ($p < 0.05$, $t = 3.800$), and resultant organizational innovation further impacts organizational performance significantly ($p < 0.01$, $t = 2.812$). Additionally, the results suggest a non-linear relationship within the power distance-firm innovation-firm performance sequence, as power distance indirectly affects firm performance significantly ($p < 0.05$, $t = 2.884$). Overall, findings imply that organizational innovation plays a pivotal role in enabling organizations to outperform their counterparts, thereby enhancing overall organizational performance ($p < 0.05$, $t = 3.691$).

Table 6: Result of the Structural Equation Model

Direct Effect	β coefficient	t-value	Std.Error	p-value	Decision
Clan culture and organization performance	0.076	2.251	0.034	0.026	Accept
Power distance and organization performance	0.133	3.800	0.035	0.031	Accept
Market culture and organization performance	0.150	2.884	0.052	0.002	Accept
Organization innovation and organization performance	0.107	3.691	0.029	0.001	Accept

Source: Author's Computation, 2024.

Table 7 explain the significant differences in organizational performance ($F=3033.33$; Sig. =.000) across the sectors, with higher levels of performance in the consumer goods sector (Mean=7.4788) compared to the other sectors. This results confirmed that cultural dimensions significantly differs

across the sectors under investigations. Additionally, there were significant differences in organizational innovation as indicated by ($F=6541$; $Sig. =.000$) across the sectors, with higher innovation in the consumer goods sector represented as ($Mean=5.4321$). The research also revealed significant differences in clan culture ($F=5118.88$; $Sig. =.000$) across the sectors, with the consumer goods sector showing higher clan culture ($Mean=5.2389$) compared with other sectors. The difference between these sectors in terms of clan culture was validated by the results in table 7. Similarly, the study found significant differences in the power distance across the sectors with consumer goods sector having ($F=4020.12$; $Sig. =.000$), with the consumer goods sector also exhibiting a more positive ($Mean=5.3013$) compared with other sectors in the industry. Lastly, the study identified significant differences in market culture across sectors ($F=4671.40$; $Sig. =.000$), with higher levels observed in the consumer goods sector ($Mean=5.3013$) compared to the other sectors ($Mean=4.3043$). The result indeed shows that there are differences in the market culture across all the sectors. However, all these cultural dimensions have positive and significant impact on organizational performance as mediated by organizational innovation.

Table 7: Analysis of Variance (ANOVA) of the Study Variables

Variables	Sectors	N	Mean	ST.Dev.	Std. Error	Sum of Square	Mean Square	F-Statistic	Sig
Organizational Performance	Consumer Good	146	7.4788	0.6190	0.4081	797.974	797.974	3033.33	0.00
	Industrial Good	59	1.5422	0.5387	0.6234	567.201	567.201	3811.42	0.00
	Conglomerates	38	3.9234	0.4561	0.3456	872.665	872.665	4033.34	0.00
	Natural Resources	29	4.8790	0.7886	0.5671	432.881	432.881	5213.77	0.00
	Health Care	41	2.6754	0.5673	0.4456	376.921	376.921	2044.78	0.00
	Total	313							
Organizational Innovation	Consumer Good	146	5.4321	1.2390	0.8971	888.123	888.123	6541.55	0.00
	Industrial Good	59	1.9031	0.7845	0.3412	789.452	789.452	513.091	0.00
	Conglomerates	38	3.2134	0.8932	0.8156	909.512	909.512	214.333	0.00
	Natural Resources	29	2.5437	0.9678	0.7902	406.784	406.784	413.432	0.00
	Health Care	41	1.4130	0.8765	0.7814	808.561	808.561	607.888	0.00
	Total	313							
Clan Culture	Consumer Good	146	5.2389	0.3412	0.2145	290.782	290.782	5118.88	0.00
	Industrial Good	59	2.2389	1.3412	0.3145	390.482	390.482	301.808	0.00
	Conglomerates	38	4.3409	2.2389	1.3412	390.482	390.482	690.002	0.00

	Natural Resources	29	1.4409	1.2049	1.2402	492.082	492.082	192.012	0.00
	Health Care	41	4.3209	1.4041	1.4002	794.082	794.082	192.012	0.00
	Total	313							
Power Distance	Consumer good	146	5.3013	1.2020	1.5230	904.182	904.182	4020.12	0.00
	Industrial good	59	2.3013	1.4120	1.8090	804.082	804.082	602.014	0.00
	Conglomerates	38	1.9013	1.8070	1.6230	104.382	104.382	202.012	0.00
	Natural resources	29	1.2143	2.8077	0.6230	174.222	174.222	502.512	0.00
	Health Care	41	6.2133	4.8007	0.6230	874.202	874.202	802.512	0.00
	Total	313							
Market Culture	Consumer good	146	5.3013	2.4120	2.8090	904.082	904.082	4671.40	0.00
	Industrial good	59	4.3043	2.4820	2.8090	294.182	294.182	202.014	0.00
	Conglomerates	38	4.1367	0.6792	0.7134	909.652	909.652	211.098	0.00
	Natural resources	29	3.1307	0.6002	0.7134	309.602	309.602	301.098	0.00
	Health Care	41	2.1447	1.6782	0.7134	509.672	509.672	111.414	0.00
	Total	313							

Source: Author's Computations, 2024.

5. Findings, implications, and directions for future research.

This research adds to the existing studies on organizational performance, with a specific focus on investigating the role of corporate culture in shaping organizational outcomes. Rooted in a sound conceptual and theoretical framework, the research explores how organizational innovation mediates the relationship between corporate culture and organizational performance. Through rigorous statistical testing, the measurement model confirms the validity of all six constructs related to corporate culture and organizational performance. Empirical findings suggest that clan culture, power distance, and market culture significantly influence on organizational dynamics, thereby impacting organizational performance positively. These results are consistent with prior research conducted by Kaya (2018), Huang & Rice (2018), Abdullahi (2021), Yildiz (2019), Ghanayati (2018), Samedi (2022), Teece (2019), Neira (2019), Yun (2020), and Risch (2020), which also emphasized the importance of corporate culture, mediated by organizational innovation, in driving organizational performance. However, studies by Birkinshaw (2021), Ghanayati (2018), and Mahfouz (2019) suggested otherwise, indicating that corporate culture may not significantly influence organizational performance. These findings align with the conclusions drawn by Bocskeri (2017) and Asiaei (2021).

Policy implications

Organizations are recommended to improve training initiatives that foster a tolerance for ambiguity. This is crucial for cultivating dynamic capabilities, allowing organizations to

implement adaptable policies that align with evolving conditions. Additionally, the study advocates for organizations to remain open to shifts in the marketplace. This is supported by the results indicating that market culture plays a dual role in enhancing competitive performance, contributing directly as well as through the mediation of organizational innovation. Moreover, the study suggests that firms in Nigeria and other developing contexts should prioritize clan culture, power distance, and market culture, while also actively engaging in organizational innovation.

Limitations

The study's limitation lies in its dependence on survey responses, which could potentially introduce cognitive dissonance. Hence, future researchers are advised to utilize panel research design, offering a deeper understanding of organizational culture and performance dynamics. Additionally, employing secondary data analysis could enhance comprehension of organizational performance. Furthermore, additional cultural elements such as adhocracy, individualism, and masculinity may impact organizational effectiveness. Thus, forthcoming studies could integrate these factors to assess the robustness and reliability of organizations dynamics.

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