

**THE EFFECT OF CORPORATE CULTURE ON PROJECT
PERFORMANCE AT NATION MEDIA GROUP**

CHARLES M. JUMBA

**A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF
BUSINESS ADMINISTRATION IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTERS IN BUSINESS
ADMINISTRATION OF KENYATTA UNIVERSITY**

MARCH 2013

DECLARATION

This research project represents my original work and has not been presented in any form to any other university.

Signature -----

Date-----

Charles M. Jumba

D53/OL/16188/06

The research project has been submitted for examination with my approval as the university supervisor.

Signature-----

Date-----

Mr. Paul Sang,

Lecturer, Management Science Department.

This research project has been submitted for examination with my approval as the chairperson of the department.

Signature-----

Date-----

Ms. Gladys Kimutai,

Chairperson, Management Science Department, School of Business.

DEDICATION

The research project is dedicated to my wife Gertrude and my sons, Presley and Brevian. I wish to acknowledge the sacrifices you made for me throughout the program and research. Only through your love, patience, motivation, support and understanding was this lifelong dream made possible.

ACKNOWLEDGEMENT

The experience of completing this research project has been both challenging and extremely rewarding. The whole process has been a valuable learning experience that I have thoroughly enjoyed.

Special thanks go to all the people at Nation Media Group who helped me with my research. I would like to express my gratitude to all those who contributed data to this study.

My most sincere appreciation goes to Mr. Sang for his advice, guidance, counsel and support as I worked my way through delivering this project. Your insights and instructions have certainly helped give structure where I really needed it most. God bless you.

ABSTRACT

The purpose of the study was to investigate the effect of corporate culture on project performance at NMG. The study focused on the effect of corporate culture on project performance since previous research had stopped short of identifying corporate culture as a factor for project performance. The four dimensions of corporate culture that were examined included teamwork, communication, reward and training which formed the independent variables, while project performance was the dependent variable. Descriptive statistics was used to analyse the data and draw conclusions. The target population of the study was NMG employees, Mombasa road plant. A representative sample of 57 employees was studied which represented 10% of the population. Stratified random sampling was used to choose the actual elements of the study sample. Employees from four types of occupational groups were represented in the sample. Data from the questionnaires was coded and entered into a computer for analysis using Excel spreadsheet. The data was described, explained and presented by the use of tables, from which various conclusions and recommendations were made. The results from the study indicated a strong relation between corporate culture and project performance. It was concluded that there was inadequate specific work-skill training, unfair reward and recognition system, inadequate communication between customers and project teams, among others. Some of the recommendations include ensuring learning resources are available and that use of quality management methods is encouraged. The researcher also recommended leadership and organizational structure as other factors that could affect project performance for further study. The study could benefit project management practitioners by providing specific constructs that can be applied towards improving the current approaches to project management. To the academicians, the study will form the basis for research into other areas of corporate culture and project management. Project management is indispensable for business results, and thus the research will be able to create strategic dialogue on issues of project performance that reflect the realities of capital project management by the government. It will further aid in reducing failure of major and complex national projects.

DEFINITION OF TERMS

Corporate Culture	Corporate culture is a dynamic system of shared values, beliefs, philosophies, habits, expectations, norms and behaviors that give an organisation its distinctive characteristics, Morgann (1986).
Training and Development	The process of providing employees with specific skills or helping them correct deficiencies in their performance.
Reward and Recognition	Defined as benefits- such as increased salary, bonuses, and promotion- which are conferred as public acknowledgement of superior performance with respect to goals, Juran and Gryna (1993).
Communication	Refers to the process whereby individuals and groups transact in a variety of ways and within different areas with the aim of carrying out organizational goals, Smidts et al (2001).
Project success	Is defined for this purpose as balancing the competing demands for project quality, time and cost as well as meeting the varying concerns and expectations of the project stake holders, Project Management Institute (2008).
Project Team	Are interdependent collection of individuals who work together towards a common goal and who share responsibility for specific outcomes of the project, Project Management Institute (2008).
Project Management	Is the disciplined use of processes, tools and techniques that leads to the accomplishment of a specific objective or a set of objectives

which are constrained by time and cost, Project Management Institute (2008).

Project Management Practitioners

The term used to refer to persons who make project management a profession in practice and academia, also referred as the project management body of knowledge, through the application of traditional project management practices that are widely used, as well as others that are sparingly used, Project Management Institute (2008).

TABLE OF CONTENTS

TITLE	I
DECLARATION	II
DEDICATION	III
ACKNOWLEDGEMENT	IV
ABSTRACT.....	V
DEFINITION OF TERMS	VI
TABLE OF CONTENTS.....	VIII
LIST OF FIGURES	XI
LIST OF TABLES.....	XII
LIST OF ABBREVIATIONS	XIII
CHAPTER ONE: INTRODUCTION	
1.0 INTRODUCTION	1
1.1 BACKGROUND OF THE STUDY	1
1.2 PROBLEM STATEMENT	4
1.3 OBJECTIVES OF THE STUDY	4
1.4 RESEARCH QUESTIONS.....	5
1.5 SIGNIFICANCE OF THE STUDY.....	5
1.6 SCOPE OF THE STUDY	5
1.7 LIMITATION OF THE STUDY	5
CHAPTER TWO: LITERATURE REVIEW	
2.0 INTRODUCTION	6
2.1 THEORETICAL REVIEW	6
2.1.1 CORPORATE CULTURE	6
2.1.2 TRAINING AND DEVELOPMENT	9
2.1.3 REWARD AND RECOGNITION	10
2.1.4 COMMUNICATION.....	11
2.1.5 TEAM WORK	13
2.1.6 PROJECT PERFORMANCE	14
2.1.7 DETERMINATION OF FAILURE OR SUCCESS OF A PROJECT	15
2.2 EMPIRICAL REVIEW	16
2.3 RESEARCH GAPS	17
2.4 CONCEPTUAL FRAMEWORK	18

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 INTRODUCTION	19
3.1 RESEARCH DESIGN	19
3.2 TARGET POPULATION	19
3.3 SAMPLE DESIGN	19
3.4 SAMPLE PROCEDURE	20
3.5 DATA COLLECTION METHOD	20
3.6 VALIDITY AND RELIABILITY	21
3.7 DATA ANALYSIS	21

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 INTRODUCTION	22
4.1 ANALYSIS OF DATA	22
4.1.1 RESPONSE RATE AND DEMOGRAPHIC INFORMATION	22
4.1.2 GENDER PROFILE	23
4.1.3 AGE PROFILE	24
4.1.4 LEVEL OF EDUCATION	24
4.1.2 CORPORATE CULTURE	25
4.1.2.1 TRAINING AND DEVELOPMENT	25
4.1.2.2 REWARD AND RECOGNITION	27
4.1.2.3 TEAM WORK	29
4.1.2.4 COMMUNICATION	31
4.1.2.5 PROJECT PERFORMANCE	32

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION	35
5.1 SUMMARY	35
5.1.1 EFFECT OF TRAINING ON PROJECT PERFORMANCE	35
5.1.2 EFFECT OF TEAM WORK ON PROJECT PERFORMANCE	36
5.1.3 EFFECT OF REWARD ON PROJECT PERFORMANCE	36
5.1.4 EFFECT OF COMMUNICATION	37
5.1.5 PROJECT PERFORMANCE	37
5.2 CONCLUSION	37
5.3 RECOMMENDATION	38
5.4 RECOMMENDATION FOR FURTHER STUDY	38

REFERENCES.....	40
APPENDICES	43
APPENDIX 1: INTRODUCTION LETTER.....	43
APPENDIX 2: QUESTIONNAIRE.....	44
APPENDIX 3: TIME SCHEDULE	51
APPENDIX 4: BUDGET	52

LIST OF FIGURES

Figure 1: Conceptual Framework	14
--------------------------------------	----

LIST OF TABLES

Table 3.1: Staff levels	20
Table 4.1-1: Respondent Rate	23
Table 4.1-2: Gender profile.....	24
Table 4.1-3: Age profile	24
Table 4.1-4: Level of Education.....	25
Table 4.1-5: Training and Development	26
Table 4.1-6: Reward and Recognition.....	28
Table 4.1-7: Teamwork	30
Table 4.1-8: Communication	31
Table 4.1-9: Project performance.....	33
Table 4.1-10: Ranking of independent variables	34

LIST OF ABBREVIATIONS AND ACRONYMS

NMG	Nation Media Group
SIG	Standish Group International
SMART	Specific, Measurable, Accurate, Realistic and Time bound
F	Frequency

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Project managers have to be able to operate in several potentially diverse corporate cultures. First, they have to interact with the culture of their parent organization as well as sub cultures of various departments e.g. marketing and accounting. Second, they have to interact in varying degrees with a host of other organisations connected to the project. These organisations include suppliers and vendors, sub-contractors, consulting firms, government and regulatory agencies, and in many cases, community groups. Many of these organisations are likely to have very different corporate cultures. Project managers have to be able to read and speak the culture they are working in to develop strategies, plans and responses that are likely to be understood and accepted.

Elbeik & Thomas (1998) identified ten factors that managers in organizations see as critical for the success of a project. These are: clearly defined projects objectives ,good planning and control methods, good management support, enough time and resources, commitment by all, high user involvement, good communications, appropriate project organization structure and culture, and being able to stop a project.

A survey conducted by Blu - Prints Company of South Africa in 2009 at NMG identified corporate culture as a major ingredient for the success of the organization. Grey et al (2008), indicates that in certain organisations, culture encourages the implementation of objectives hence the success of projects. In this environment the project management structure used plays a less decisive role in the success of the project. Blu-Prints Company identified various dimensions of corporate culture. Key among them was communication, teamwork, reward and recognition, training and development. Thus the research aimed to examine the effect of corporate culture on project performance at NMG.

The results from this study could benefit project management practitioners by providing specific constructs that can be applied towards improving the current approaches to project management.

To the academicians, the study will form the basis for research into other areas of corporate culture and project management. Project management is indispensable for business results, and thus the research will be able to create strategic dialogue on issues of project performance that reflect the realities of capital project management by the government. It will further aid in reducing failure of major and complex national projects.

Today's business environment is much more complex, interdependent, unpredictable and unstable than it was a decade ago. Developing and sustaining the success of an organisation requires coping with ongoing change in its complex environment. It is not surprising therefore that corporate culture change initiatives are proliferating, Trompenaars and Prud'homme (2004). One of the roles of corporate culture is to provide stability, focus, direction and guidance.

Increasingly these days organizations are project based, meaning that the work they do is split into programmes of projects designed to deliver the organization's strategies and add value. Good management of these projects is essential if the organization is going to succeed. Equally important to individual project success is ensuring that the right projects are carried out. Organizations have varying levels of expertise in the project management function. Many of these organizations realize that to be successful a better approach to project management is necessary. According to Gray et al (2008), one of the reasons behind the failure of Kodak's "factory of the future" project in the mid 1980s was that the culture did not support the project. When the dominant corporate culture inhibits collaboration and innovation, it is advisable to insulate the project team from the dominant culture. This is what happened to IBM when they decided to develop their personal computer in 1980 and the project was a success.

Project success is a vague term, Lientz and Rea, (1995). McCoy (1996) points out that, "Before attempting to categorise projects as a success or failure, it is necessary to determine the criteria upon which this evaluation will be made. A synonym for success is effectiveness, which is measured in terms of the degree of achievement of objectives, Belout (1998). According to Barccarini (2005) cost performance is a key success criterion for project sponsors.

The Nation Media Group (NMG) founded by His Highness the Aga Khan in 1959 has become the largest independent media house in East and Central Africa. It has been quoted on the Nairobi Stock Exchange since the early 1970s. As the leading multi-media house in the East

African region, it has print as well as electronic media and the internet which attracts a regular readership quite unparalleled in the region. The company has four divisions namely broadcasting division, carriers division, marketing and publishing division and newspapers division. The company has broadcasting, administrative and marketing offices in the city centre while the printing plant is located along Mombasa road, about 30km from the city centre. The company engages in various projects in the areas of education, health, environment and community sponsorship. A survey conducted by Blu- Prints Company of South Africa in 2009 at NMG identified culture change as a major ingredient for the success of the organization. The survey identified team work, communication, reward and recognition, training and development as some of enablers for success.

For NMG to realize its vision of being the media of Africa for Africa, it will need to ensure that the projects it chooses succeed. The Blu-Print survey identified several aspects of corporate culture that affect the performance of NMG. These included: favouritism by managers during promotions which were pegged on “god father syndrome”, lack of coordination and team work, demoralized staff, poor communication, inflexible rules and barriers which slowed down action plans, back stabbing and blame shifting.

This heavily entrenched weak culture was affecting the performance of various projects undertaken by the company. Failure of projects leads to wasted time, resources and opportunities. A study conducted by SGI in 1995, which included several thousands of information technology projects, revealed that only 16% of the projects were finished on time, and within the estimated budget, 32% were terminated before they were completed, while the remaining 52% involved costs higher than the original estimates and were completed behind their schedule (Standish Group, 1994).

Tornatzky & Fleischer (1990) found that projects failed to achieve successful results because of three factors. The factors are the organizational background, the external environment, and the technological framework. Failure in the organizational context can be attributed to leadership, corporate culture, corporate project knowledge base, and top level support. Failure in the external environment is linked to competitors, suppliers, customers, vendors, government, and education. Failure in the technological framework can be hardware, software, and telecommunications or a

combination of the three areas (Tornatzky & Fleischer, 1990). Kumar (2000), in a study of reengineering projects, found that failure was primarily linked to the organizational context and could attribute to the lack of leadership, organizational culture, the lack of integration, and the lack of commitment by senior management.

Failure of projects at NMG is depicted through: termination of projects before completion, project cost over runs, the project outcomes not fully addressing the business requirements.

This has serious consequences for the company in terms of lost market share and reduced revenue.

1.2 Problem Statement

The requirements for business growth, profitability and competitive advantage compel NMG to invest in various projects e.g. expansion of print and electronic media to neighbouring countries and switch from analogue to digital transmission. For projects to be successful they have to be completed on time, within the required budget and the project outcomes should fully address the business requirements. In the past seven years, 45% of the projects have failed and this can be attributed to lack of training and development, poor communication and team work, in addition to poor reward and recognition of its staff. These causes form the four dimensions of corporate culture which affect project performance. Management felt that the failure rate is high and this was an obstacle towards achieving its vision of being the media of Africa for Africa. Since NMG wants to go international, then it has to address the issue of diverse staff culture in the various countries that it seeks to operate in and merge them into a strong NMG corporate culture that will guarantee better project performance. Hence the study sought to establish the effect of corporate culture on the performance of projects at NMG.

1.3 Objectives of the study

The main objective of the study was to establish the effect of corporate culture on project performance. The specific objectives were:

1. Establish the effect of communication on project performance at NMG.
2. Determine the effect of team work on project performance at NMG.

3. Find out the effect of reward and recognition on project performance at NMG.
4. Determine the effect of training and development on project performance at NMG.

1.4 Research questions

The following research questions guided the study:

1. How does communication affect project performance at NMG?
2. What is the effect of team work on project performance at NMG?
3. How does reward and recognition influence project performance at NMG?
4. How is project performance at NMG influenced by training and development?

1.5 Significance of the study

The study sought to determine the effect of corporate culture on project performance. The results from the study could benefit project management practitioners by providing specific constructs that can be applied towards improving the current approaches to project management. To the academicians, the study will form the basis for research into other areas of corporate culture and project management. Project management is indispensable for business results, and thus the research will be able to create strategic dialogue on issues of project performance that reflect the realities of capital project management by the government. It will further aid in reducing failure of major and complex national projects.

1.6 Scope of the study

The study focused on NMG staff, Mombasa road plant. It involved permanent staff who were stratified into top management, middle management, operational management and junior staff.

1.7 Limitations of the study

The time frame required for completion and the extent of the sample size studied posed a limitation. The results of the study were purely for academic purposes.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The following literature review provides a foundation for the study on corporate culture and project performance. It focuses in detail on the four dimensions of corporate culture and the determinants of success or failure of a project followed by the empirical review. In the empirical review an insight into previous studies on project performance and corporate culture is given. Finally, a summary of the research gaps and conceptual framework of the dependent and independent variable closes this review.

2.1 Theoretical Review

2.1.1 Corporate Culture

Corporate culture is a dynamic system of shared values, beliefs, philosophies, habits, expectations, norms and behaviors that give an organisation its distinctive characteristics. According to Morgann (1986), the culture of an organisation is a dominant pattern of shared beliefs and values. He notes that culture helps guide the activities of the company and helps provide a shared sense of identity.

Hardy (1993) defines culture as shared meaning, shared understanding and shared sense making. He observes that anyone who has spent time with a variety of organisations will have been struck by differing way of doing things, the differing levels of energy, of individual freedom and of minds of personality. According to him seven culture shaping factors can be identified namely key organisational processes, dominant coalition, employees system, technology and external environment.

The corporate culture may be manifested in various ways such as statements of principle, stories, slogans, heroes, ceremonies, symbols, climate and the physical environment. Some aspects of the culture may be guided or created by managers; others may be influenced by employees and other

significant power groups within the company. Managers may influence the culture by defining company mission and goals, identifying core values, determining levels of autonomy, structuring the workplace, developing reward systems and creating socialisation opportunities that reinforce culture.

Clarke (1994), states that the essence of sustainable change is to understand the culture of the organisation that is to be changed. He further observed that if the proposed changes contradict cultural biases and traditions, it is inevitable that they will be difficult to embed in the organisation. Hence the culture of an organisation is the capacity to create systematic plans, provide for the logistics of resources, support and training of the people. It is central to any change program. People must be influenced and departmental boundaries crossed. New ideas must be accepted and new ways of working introduced. New standards of performance, reward and promotion need to be achieved. Clarke (1994) concludes that creating a culture of change means that “change has to be part of the way we do things here”.

Schein (1998), in his work on organisational culture defines culture as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problem of external adaptation and internal integration that has worked well enough to be considered valid and to be taught to new members as the correct way to perceive, think and feel in relation to those problems. According to Barbra Senior (2001) culture is capable of blunting or significantly altering the intended impact of even well thought –out changes in an organisation. Johnson and Scholes (1997) argue that strategic developments can only be successful if they recognise and address the cultural aspects of the organisation and the change at hand.

Corporate culture provides adaptability, focus, direction, and guidance. It establishes an internal way of life and sets patterns for internal relationships. It helps increase mutual understanding, trust, binds together people from different national cultures, defines effective and ineffective performance, and gives a framework for strategy and management approach. On the other hand, corporate culture needs to be capable of self-renewal and needs to reinvent it. Corporate culture needs to combine consistency and resilience.

Trompenaars and Prud’homme (2004) define corporate culture as the pattern by which a company connects different value orientations- such as rules versus exceptions, people focus

versus focus on reaching goals and targets, decisiveness versus consensus, controlling the environment versus adapting to it- in such a way that they work together in a mutually enhancing way. Cultures can learn to reconcile such values at ever higher levels of attainment, for instance by creating better rules from the study of numerous exceptions. This corporate culture pattern shapes a shared identity which helps to make corporate life meaningful for the members of the organisation, and contributes to their intrinsic motivation for doing the company's work.

According to Trompenaars and Prud'homme (2004), defining corporate culture in terms of how dilemmas are reconciled (or not) acknowledges that cultures are dynamic because reconciliation is a continuous process based on dialogue between different value orientations. This way of looking at corporate culture acknowledges that a corporate culture needs to constantly reinvent itself, because the way people in the organisation perceive, think and feel in relation to problems of internal integration and external adaptation needs to change as well. Looking at corporate culture in terms of how it reconciles value differences helps managers in understanding the core of their company's culture and in changing day-to-day behaviours. This contrasts with a definition of corporate culture in terms of one fixed set of value polarities which will not resolve ambiguity, paradox and conflict.

Kotter and Heskett (1992) suggest that, "corporate culture can have a significant impact on a firm's long term economic performance...will probably be an even more important factor in determining the success or failure of firms in the next decade...and cultures that inhibit strong long term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people".

The four dimensions of culture change are communication, rewards, training and development, and teamwork. These dimensions of corporate culture change were selected because they have previously been identified as those likely to have the greatest effects on employee behavior and attitudes, Recardo and Jolly (1997). The four dimensions of culture were among those identified by Blu-Prints Company in their survey as ingredients for the success of NMG.

2.1.2 Training and Development

Training and development can be defined as the process of providing employees with specific skills or helping them correct deficiencies in their performance. According to Cherrington (1995), a successful training and education program would create more favourable employee attitudes and loyalty, and help employees in their personal development and advancement. Moreover, Deming (1986) stressed the importance of education and training for continual updating and improvement, identifying one source of human motivation at work as intrinsic motivation: the desire to grow, learn and to develop oneself. Njoroge (2006) stressed the importance of training on the performance level of the individual staff and by implication the organization in general.

Some of the advantages which an organization may enjoy from a well trained staff include increased productivity, reduced employee turnover, increased efficiency resulting in financial gains and decreased need for supervision.

Lanning (2001) argues that the main objective for training is to get people to understand and accept the change and then, in application-specific training, teach people how to use the new tool. Furthermore it is important to understand that as well as all the other project strategies, also the training strategies need to be updated continuously so that they reflect changes in and around the project, Mabert et al (2003).

According to a research paper by Cook (1999), management must create a project management methodology that defines the project life cycle and the process, right down to what is required, when it is required and how it is done. A complete set of instructions, forms, tools and templates is necessary to ensure consistent repeatable performance across the organization. A training program, tailored to the new methodology, is necessary to teach and reinforce use of the methodology. Outside consultants may be required to diagnose and correct existing problems while future project managers are in training.

2.1.3 Reward and Recognition

Reward and recognition can be defined as benefits- such as increased salary, bonuses, and promotion- which are conferred as public acknowledgement of superior performance with respect to goals, Juran and Gryna (1993). According to Herzberg's (1996) hygiene/motivator theory, recognition is one of the four motivators, which can contribute to employee commitment when it is present. Reward and recognition activities are valued by employees and therefore provide motivation or incentives. If executed appropriately, these activities can, to a certain degree improve employees' productivity. According to Ringera C. (2004), there should be equitable distribution of salaries, allowances and benefits amongst employees.

According to Jöran Beel (2007) in a functional project team, where people have never worked together and probably never will work together again, trust probably is rather low. In this case, team member should may be receive rewards individually and not as a team. On the other hand, a seasoned and high performing project team, consisting of highly skilled and excellent team workers is probably better motivated by team rewards.

As project management tools, organizational structure is not a real project characteristic. However, the organizational structure seems to have a major impact on rewarding project teams. Team members from projects performed in a matrix structure usually work parallel in the project team and in their normal job. In a functional structure, employees even do not have contact with the project manager and other project members but get all their instructions from the line manager. In those, case employees' first priority is their normal job because the project outcome has little impact on their (Tinnirelo 2001). It is in the interest of those who benefit from a successful project that the team members see their project work at least as important as their line work. If line work seems more attractive than project work, rewards could help to balance the employees' preferences. This is explained by expectancy theory. Without rewards, the line work's valance often is bigger than the valance provided by the project work. A reward changes the valance.

In projects performed in a functional structure the project members do not really work in a project team but individually. In those situations a group identity and trust, which are the

essential requirements for team rewards (Armstrong 2000), cannot be built. Accordingly, a focus on individual rewards seems to be appropriate in a functional structure. In contrast, in pure project structures team members should be used to team work and probably have already worked together. In that case, group identity may build quickly or already exists. In such a situation, group rewards are preferable towards individual rewards.

2.1.4 Communication

Organizational communication refers to the process whereby individuals and groups transact in a variety of ways and within different areas with the aim of carrying out organizational goals, Smidts et al (2001). Several authors note that communication is important for improving employees' commitment and for positive outcomes, Goris et al (2000). Moreover, the manner in which the organizational goals – and the employees' role in advancing these goals – are communicated to employees strongly affects organizational commitment and productivity, Anderson and Martin (1995). As in any other discipline of business the importance of communication cannot be overemphasized in managing projects. Careful communication planning and setting the right expectations with all the project stakeholders is extremely important. Face to face initial communication within the project team to establish the team dynamics and learning the customer's expectations are the keys to success when starting a project.

Communication during projects can be of many different types such as oral, written and non-verbal. Oral communication is mainly utilized in face-to-face meetings or over the telephone as well as in group meetings and affords a lot more flexibility to the speaker, such as the ability to communicate not only with voice but body language, attitude and nuance. The subtle nuances that can be communicated during verbal communication are not present during written communication. Written communication, on the other hand, is usually more precise. It can be sent through correspondence such as memos, letters or notices. It can also be sent via Email or the project management information system.

During a project, communication can occur in various directions depending on who is communicating. There is upward communication to management from your own organization

and the customer's organization. Lateral communication takes place with customers and within project teams.

Keeping in mind the complexity of communication it is easy to understand how difficulties in communication may arise. As noted above, effective communication is extremely critical to the success of the project. Many factors can cause barriers to effective communication. A main reason for communication gaps is simply that people have different preferences for effective communication. Some people are oriented toward details, while others want only the big picture. It's easy to overburden a manager with the detailed reasons for decisions you've made, when all they may really care about at the moment is the overall status of the project. This type of miscommunication is very likely to happen when two people with different communication styles work together on a project.

A project manager should exercise overall team building for the project team members and other stakeholders, in order to facilitate better communication. A project manager can provide communication skills training to the team members, as well as set some important ground rules during the initiation phase of the project and at significant times such as the start of a meeting. When attempting to form a new cohesive team with a group of individuals, some kind of "ice-breaking" activity can be helpful. Ongoing successful communication requires some basic rules that all team members can keep in mind such as not jumping to conclusions, resisting the urge to interrupt and listening to others. Other important factors that can be commonly practiced for successful communication are to seek to know more and to make listening a conscious activity. Different types of communication are appropriate to meet the different communication needs that arise during a project.

According to Momballou (2006) one of the responsibilities of a project manager is to communicate effectively to the members of the project team and other related stake holders and because of this, a project being led by an ineffective communicator has very little chance to succeed. Ineffective, poor or lack of communication can lead to a series of problems within a project.

2.1.5 Team work

The concept of teams and teamwork is increasingly important to productivity and employees' organizational commitment in the contemporary workplace. Teamwork facilitates the meeting of affiliate needs within the workplace and has been directly connected to organizational productivity. Anschutz (1995), stated that participation in teamwork, continuous learning and flexibility were the major factors for success within organizations in achieving a partnership between workers and managers.

Many authors believe that effective use of teams is a necessary ingredient for a project to be successful. Kerzner, (2006) says attention to team building is indeed critical for project success. He states that one of the main responsibilities of the project manager is to provide an atmosphere which fosters a climate of teamwork. It should include such characteristics as team member commitment, good interpersonal relations, clearly defined objectives, good leadership and top level support, open communications, and a low level of detrimental conflict.

High performing project teams need to be carefully and systematically developed. The qualities that are critical to high performance are unique to each project and to each team and are tied to its specific mission, strategy, objectives and culture, McShane-VonGlinow (2002). Four components should be considered in developing a model for high- performing project teams. They are the role of team members, team relationships, team activities and the culture the team creates and functions within, Cohen and Bailey, (1997). A project team relies on independent work teams rather than functional departments as the core work units. Unlike traditional functional departments, project teams tend to rely on cross-functional, autonomous teams with less need for supervisors in a communication or coordination role, McShane-VonGlinow, (2002).

Project teams perform best when given tasks that are clear, easy to implement and require a high degree of interdependence. Teams should be large enough to perform the work, yet small enough for efficient coordination and meaningful involvement.

2.1.6 Project Performance

Before the Standish Group surveys of 1994, project failure was not discussed. The group's researchers identified that technology was neither the problem nor the solution to the successful outcome of projects, Johnson (1999). Since then several researchers in project management became increasingly interested in the failure/success factors of projects, Bellasi and Tukul (1996), Finch (2003) Pinto and Prescott (1988). The earlier researchers suggested the importance of several of the factors that affected project outcomes changed significantly based on the project life cycle changes, Baker et al (1983), Cleland and King (1983), Pinto and Prescott(1988).

Ganon (1994) suggested that the problems in projects usually occur in the hard or measurable elements of scope, schedule, cost and procurement. He further stated that the root causes stem from the inefficient or improper managing of the soft integrative elements of staffing, communications, quality and risk.

When projects fail, the performing organization fails because some aspects of its strategic objectives will not be delivered as planned scarce resources will be wasted and individuals and groups (stakeholders) who had expected some benefit from the outcome of the project will be negatively affected.

Failure has been synonymous with many projects over the last four decades. Reasons for failure have been attributed to technological difficulties, organizational and functional problems, managerial issues, and many other reasons. Traditionally, a project should deliver agreed upon functionality on time and within estimated budget according to Keider (1974) and Saleh (2005).

A comprehensive study conducted by Standish Group International in 1995, which included several thousands of information technology projects revealed that only 16% of those projects were finished on time, and within the estimated budget; 32% were terminated before they were completed, while the remaining 52% involved costs higher than the original estimates and were completed behind their schedule (Standish Group, 1994).

Other research define project failure as poor alignment between the solution and organization's strategy, business requirements or priorities, Canadian Management Accounting Society (1998).

Jian and Klein (1999) define project failure as lack of top management involvement and support. Failure of a project can also be defined as disregard for risk, training and testing, James (1997), denial that the project is in trouble, James (1997) or deemed to have failed by stakeholders, Lemon et al (2002).

Project success is influenced by the level of knowledge, skills and experience of the project manager and project team, appropriate and consistent use of project management tools, processes and methodologies, alignment of the outcomes of the project to organization strategy, managing the expectations of the project stakeholders and timely management of risk.

It has been suggested that most project managers do not know how to define a successful project or how to characterize project success. A common understanding is that project success is related to project management success and product success. However, the perception if a project is considered a failure or success depends on the person viewing the project, Linberg (1999).

2.1.7 Determination of success or failure of a project

In order to measure the success of any project; goals, requirements and deliverables must be clearly defined at the onset. Project goals should follow the SMART rule:

Specific - The project goals should be stated in clear, concise and understandable terms and should be documented in the project charter. Projects exist to bring about a unique, specific product or service that has not existed before.

Measurable, the deliverables of the project should be measurable against verifiable outcomes or results.

Accurate, the verification and measurement of requirements and deliverables are used to determine accuracy and to ascertain if the project is on track according to the project plan.

Realistic, Projects are unique and produce tangible products or services. The triple constraints (time, cost, scope) of any project help to define realistic goals and realistic

Time-bound, Projects are performed in specific time frames, with a definite beginning and definite end date.

If a project delivers on specification and the prerequisites that make up the product or service, then the project is deemed successful. Deliverables are measurable outcomes, measurable results, or specific items that must be produced to consider the project or project phase completed.

Deliverables, like goals, must be specific and verifiable. Hence, identifying whether or not a project is successful can be easily accomplished if these parameters are clearly defined at the onset of the project, Cleland & Ireland, (2004).

As Perkins (2007) asserted, projects fail because the stakeholders choose to ignore the basic tenets of project success that they already know. Perkins argued that projects fail because of the lack of dedicated resources, cultural conflicts, and the lack of clear deliverables and a contingency plan, as well as unnecessary complexity in the system.

There is a large number of studies written to pinpoint the causes of project failure. A vast number of recognised risk factors that have been identified to be responsible for project failure phenomena, include those concerning project leadership and management, organizational culture and structure, commitment and patterns of belief, user involvement and training, developer expertise, technology planning, scope and objective setting, estimation and choice of methodology, McFarlan (1981) and Cusing(2002). Avots (1969), identified the reasons for project failure and concluded that the wrong choice of project manager, the unplanned project termination and unsupportive top management.

2.2 Empirical Review

Corporate culture is a dynamic system of shared values, beliefs, philosophies, habits, expectations, norms and behaviors that give an organisation its distinctive characteristics. According to Morgann (1986), the culture of an organisation is a dominant pattern of shared beliefs and values. He notes that culture helps guide the activities of the company and helps provide a shared sense of identity.

Majority of the mentioned researchers and authors in the general review have pointed out the role of corporate culture in project performance. The principles and methodology of project management are defined by the Project management Body of Knowledge, but the application of project management tools does not guarantee a successful project. Organisations should ensure

that project teams embrace strong corporate culture for their projects to be successful. In the presence of good communication, reward and recognition, well trained staff, and team work among project teams then project goals are likely to be achieved hence project success.

An evaluation of critical success factors in oil and gas exploration portfolio project in Nigeria by Damiebi and Nazatul in 2010 concluded that communication, good project implementation, realistic project duration and innovative technology were among the key ingredients for successful projects. A research paper by Chai Wen Kuen et al (2008) focused on critical factors affecting project success amongst manufacturing companies in Malaysia. The research concluded that top management support, clear project mission and competency of the project team played a significant role in ensuring project success in the manufacturing sector. In his thesis, Xaba, (2011) concluded that project managers must design and facilitate a culture that brings out the best in project stake holders, to the benefit of the project. He goes on to emphasize that project managers must create a learning culture, encourage open communication, acknowledge, reward, and give attention to members when deserving in order to ensure project success. In his dissertation, KThompson (2010) concluded that project managers could direct projects effectively and efficiently by incorporating active listening, empathy, persuasion, commitment to the growth of the people and leadership. Pinto and Slevin (1987) identified clearly defined goals, competent project manager, top management support, competent team members, and adequate communication channels and control mechanisms all components of corporate culture as contributing to project success. From these authors, the four dimensions of corporate culture thus communication, reward, training and teamwork are greatly emphasized.

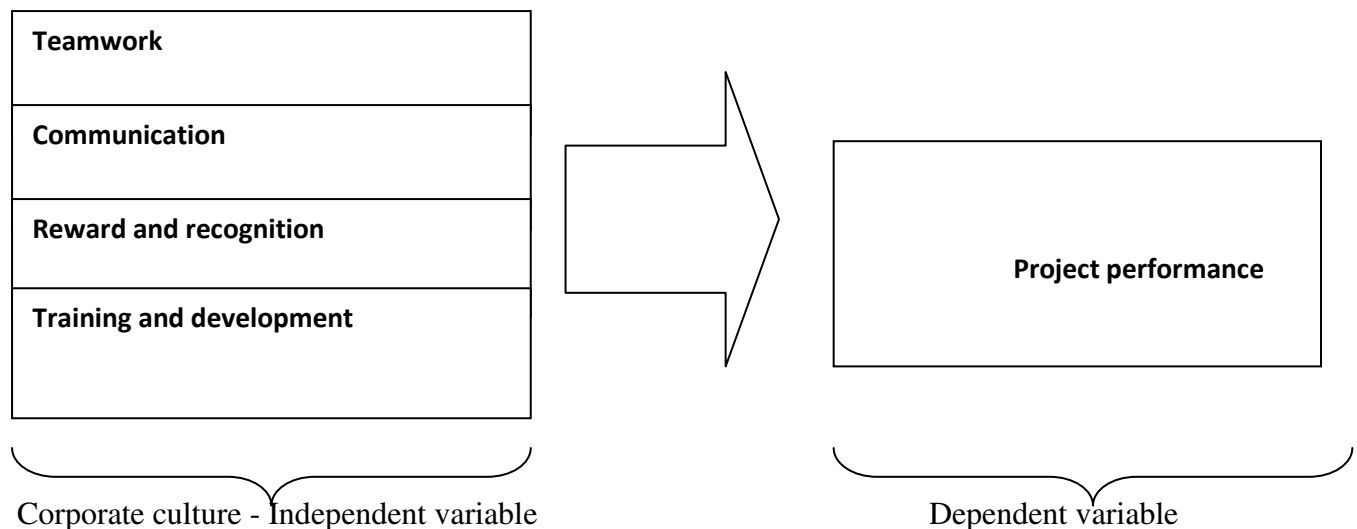
2.3 Research Gaps

Corporate culture is believed to be important to project performance despite limited studies on this topic. Corporate culture, for example has never been studied in the context of project performance. Thompson, (2010) focused on the effectiveness of servant-leadership model on project management. Kuo, (2006), dwelt on managerial behaviours, styles and practices that lead to project success. Xaba, (2011) studied the root cause analysis of major capital projects failure while Kuen et al(2008) researched on critical factors influencing project success amongst manufacturing companies in Malaysia. For that reason, the research herein will

contribute new knowledge to the study of corporate culture in project performance. The study will investigate the effect of corporate culture on project performance.

2.4 Conceptual Framework

The conceptual framework of the study is as shown in figure 1.1. The model shows the four dimensions of corporate culture – teamwork, communication, reward and recognition, and training and development as the independent variables. These dimensions of corporate culture have been selected because they have been identified as those likely to have the greatest effects on employee behavior and attitudes, Recardo and Jolly (1997). These aspects of corporate culture were also identified by the Blu-Prints survey as those affecting project performance at NMG. Project performance is the dependent variable.



Source: Author (2012)

Figure 1.1: Conceptual framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter gives a detailed outline of how the study was carried out. It describes the research design, the target population, the sample and sampling procedure, data collection and data analysis procedure.

3.1 Research Design

Descriptive research design was adopted. Kothari (2003) recommends descriptive design as it allows the researcher to describe, record, analyse and report conditions that exist or existed. The existing conditions were answered through the four research questions of the study by identifying if a relationship existed between the independent and dependent variables.

3.2 Target Population

The target population of the study was NMG employees, Mombasa road plant because of ease of accessibility by the researcher. The population represents a large sample size. The number of employees at the plant according to human resource department is 568 and this formed the population of the study.

3.3 Sample Design

According to Mugenda and Mugenda (1999), a representative sample is one that is 10% of the population. Therefore a representative sample of 57 employees was studied. The employees were drawn from four levels as follows.

Table 3.1: Staff levels, population and sample size

Staff Levels	Population	Sample size (10% of population)
Top management	38	4
Middle level management	63	6
Operational management	196	20
Junior employees	271	27
Total	568	57

Source: Author 2012

3.4 Sample Procedure

Stratified random sampling was used to choose the actual elements of the study sample. Employees from four types of occupational groups were represented in the sample. The four occupational groups consist of top management, middle level management, operational management and junior staff.

3.5 Data Collection Method

Data collection was done through questionnaires personally distributed to respondents. A cover letter was attached explaining the purpose of the study, assuring the employees of confidentiality and provided instructions on how to complete the questionnaire. The questionnaire had the general questions, the corporate culture and project performance parts. Open ended questions

were also included ,while others were measured on 5 point Likert scale from 1- “strongly disagree” to 5-“strongly agree”.

3.6 Validity and Reliability

To ensure validity and reliability, the researcher pre-tested the questionnaire on a sample of respondents and this did not form part of the final respondents. The pre-test study was to guide in modifying and improving the research questionnaires. Validity in this case implied that the instruments attain information that was expected by the researcher.

3.7 Data Analysis

Data from the questionnaires was coded and entered into a computer for analysis using Excel spreadsheet. The data was described, explained and presented by the use of tables. Quantitative and qualitative methods were used for data analysis. Orodho (2003) argued that the simplest way to present data is in frequency or percentage table. The data was used to answer the research questions and objectives.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

In this chapter data from the questionnaires was analyzed and an interpretation of the results done. The data was analyzed to determine the effect of corporate culture on project performance at NMG. A summary of the responses was also given.

4.1 Analysis of Data

4.1.1 Section A: Response Rate and Demographic Information

The target population of the study was 568 and the sample size was 57. Out of the 57 questionnaires distributed, 43 were returned. This represented a 75% respondent rate which is enough to make a generalization. Although Fowler (2002) suggests that a common minimum respondent rate should be in the region of 75%, there is no universally agreed minimum. The distribution of the 75% respondent rate is as shown in the table 2 below.

The respondents' demographic profile was limited to age, level of education, gender and was not deemed crucial to the study.

Table 4.1-1: Respondent rate

Table 4.1-1 shows the respondent rate as a percentage of the sample size

Staff Levels	Sample size (10% of population)	Number of Respondents	% Respondent Rate
Top management	4	2	50
Middle level management	6	4	66
Operational management	20	17	85
Junior employees	27	20	74
Total	57	43	

Source: Author (2012)

From the table there were 2 respondents from a sample size of 4 from the top management, which represented 50% respondent rate. Operational management employees had the largest respondent rate at 85% compared to top management at 50 %. This shows that more operational management employees participated in the study.

4.1.2 Gender Profile

Table 4.1-2 shows the gender distribution of the respondents. There were more men respondents (88%) than women (12%).

Table 4.1-2: Gender profile

Gender	No. of Respondents	%
Men	38	88
Women	5	12
Total	43	100

Source: Author (2012)

4.1.3 Age Profile

Table 4.1-3 shows the age distribution of the respondents as a percentage.

Table 4.1-3: Age profile

Age bracket	No. of Respondents	%
20-30	5	12
31-40	19	44
41-50	15	35
older than 50	4	9
Total	43	100

Source: Author (2012)

From the table, 44% of the respondents are between the ages of 31-40 years while 9% are above 50 years. Hence majority of the respondents were between 31- 40 years.

4.1.4 Level of Education

Table 4.1-4 shows the number of respondents' level of education as a percentage. From the table, 51% of the respondents are diploma holders while 7% have post graduate qualifications hence the respondents were able to answer the questionnaire.

Table 4.1-4: Level of Education

Level of Education	No. of Respondents	%
Primary school	0	0
Secondary school	2	5
Diploma	22	51
Degree	16	37
Post Graduate	3	7
Total	43	100

Source: Author (2012)

4.1.2 Section B: Corporate Culture

The analysis was guided by the responses from the four dimensions of corporate culture.

4.1.2.1 Training and development

Table 4.1-5 shows the number of respondents (f) for the various statements expressed as a percentage of the total respondent rate.

Table 4.1-5: Training and Development

	5 Strongl y agree		4 Agree		3 Neither Agree Nor disagree		2 disagree		1 Strongly disagree	
	f	%	f	%	f	%	f	%	f	%
1. Employees are encouraged to accept education and training within the company to foster project performance	16	37	14	33	4	9	6	14	3	7
2. Resources are available for employees' education and training within the company for projects to be successful	20	46	12	28	8	19	1	2	2	5
3. For projects to be successful, Specific work-skills training are given to all employees	10	23	14	32	11	25	5	12	3	7
4. Most employees in this company are trained on how to use quality management methods/tools to enhance project performance	14	32	20	46	6	14	2	5	1	2
5. Training and development of employees is done fairly to ensure projects perform well.	17	39	12	28	9	21	4	9	1	2
Total Score	77	36	72	33	38	18	18	8	10	5

Source: Author (2012)

From the table, the following was deduced.

70% agreed that they were encouraged to accept education and training within the company to foster project performance, 21% disagreed while 9% were undecided.

74% agreed that resources are available for employees' education and training within the company for projects to be successful 19% were undecided while 7% disagreed.

55% agreed that for projects to be successful, specific work-skills training be given to all employees, 25% were undecided while 10% disagreed.

78% agreed that most employees at NMG are trained on how to use quality management methods/tools to, 14% were undecided while 8% disagreed.

67% agreed that training and development of employees is done fairly to ensure projects perform well, 21% were undecided while 12% disagreed.

From the analysis, specific work-skills training rated the lowest at 55% for respondents who agreed. This implies that the 45% project failure rate could be attributed to inadequate work-skills training.

4.1.2.2 Reward and Recognition

Table 4.1-6 shows the number of respondents (f) for the various statements expressed as a percentage of the total respondent rate.

Table 4.1-6: Reward and recognition

	5 Strongly agree		4 Agree		3 Neither Agree Nor disagree		2 disagree		1 Strongly disagree	
	f	%	f	%	f	%	f	%	f	%
1. This company improves working conditions in order to recognize employee quality improvement efforts for better project performance.	6	14	10	23	9	21	15	35	3	7
2. The compensation system encourages team and individual contributions to ensure better project performance.	6	14	8	18	7	16	14	32	8	18
3. Reward and recognition system within the company rewards relationship and task accomplishments based on work quality to promote better project performance.	2	5	23	53	6	14	10	23	2	5
4. All suggestions for better projects performance are appropriately rewarded in cash and kind.	5	12	30	69	4	9	4	9	0	0
5. Employees' rewards and penalties are clearly communicated to ensure better projects performance.	6	14	18	41	5	12	10	23	4	9
6. In order to ensure better project performance, reward and recognition system is fair	2	5	13	30	8	18	20	46	0	0
Total Score	27	10	102	40	39	15	73	28	17	7

Source: Author (2012)

From the table the following deductions were made:

37% agreed that NMG improves working conditions in order to recognize employee quality improvement efforts for better project performance, 21% were undecided while 42% disagreed.

32% agreed that the compensation system encourages team and individual contributions to ensure better project performance, 16 % were undecided while 52% disagreed.

58% agreed that reward and recognition system within the company rewards relationship and task accomplishments based on work quality to promote better project performance, 14% were undecided while 28% disagreed.

69% of the respondents agreed that all suggestions for better projects performance are appropriately rewarded in cash and kind while 0% disagreed.

55% agreed that rewards and penalties are clearly communicated to ensure better projects performance, 12% were undecided while 33% disagreed.

35% agreed that in order to ensure better project performance, reward and recognition system is fair, 18% were undecided while 47% disagreed.

The response on working conditions, compensation system, fairness in reward and recognition for those who agreed to the statements was below 50% showing that this might have contributed to the 45% failure rate of projects at NMG.

4.1.2.3 Teamwork

Table 4.1-7 shows the number of respondents (f) for the various statements expressed as a percentage of the total respondent rate for teamwork.

From the table:

81% agreed that work within departments is appointed around groups that ensure better projects' performance, 12% were undecided while 7% disagreed.

69% of the respondents agreed that they were more comfortable working in a group rather than individually and 0% disagreed.

30% agreed that specific work-skills training are given to all team members, 32% were undecided while 38% disagreed.

35% agreed that at NMG, workplace decisions are made through consensus to ensure better project performance, 23% were undecided while 42% disagreed.

Specific work –skills training seem not to be adequate for all team members because those who agreed were below 50%. It can also be concluded that some workplace decisions are not made through consensus because those who disagreed were more than those who agreed.

Table 4.1-7: Teamwork

	5 Strongly agree		4 Agree		3 Neither Agree Nor disagree		2 disagree		1 Strongly disagree	
	f	%	f	%	f	%	f	%	f	%
1. Work within this department is appointed around groups that ensure better projects' performance.	10	23	25	58	5	12	2	5	1	2
2. I am more comfortable working in a group rather than individually to ensure better project performance.	5	12	30	69	3	7	5	12	0	0
3. Specific work-skills training are given to all team members. Other units or departments always co-operate with me when I need assistance to ensure projects perform better	3	7	10	23	14	32	16	37	0	0
4. In this company, workplace decisions are made through consensus to ensure better project performance.	2	5	13	30	10	23	17	39	1	2
Total Score	20	12	78	45	32	19	40	23	2	1

Source: Author (2012)

4.1.2.4 Communication

Table 4.1-8 shows the number of respondents (f) for the various statements expressed as a percentage of the total respondent rate for communication.

Table 4.1-8: Communication

	5 Strongly agree		4 Agree		3 Neither Agree Nor disagree		2 disagree		1 Strongly disagree	
	f	%	f	%	f	%	f	%	f	%
1. Management regularly provides customer/supplier feedback and sets up opportunities for direct, face- to – face meetings between team members and customers/suppliers for better project performance.	1	2	5	12	10	23	26	60	2	5
2. Employees' communication is effective in communicating things that are relevant to them so as to ensure better project performance.	15	35	25	58	1	2	1	2	1	2
Total Score	16	18	30	35	11	13	27	31	3	3

Source: Author (2012)

From the table the following was deduced:

14% agreed that Management regularly provides customer/supplier feedback and sets up opportunities for direct, face- to –face meetings between team members and customers/suppliers for better project performance, 26% were undecided while 60% disagreed.

93% agreed that communication is effective in communicating things that are relevant to them so as to ensure better project performance, 2% were undecided while 5% disagreed.

Customer and supplier feedback ranked lowest with 14% for those who agreed. This shows lack of customer/supplier feedback to address issues affecting project teams hence this needs to be addressed in order to improve communication.

4.1.2.5 Project Performance

Shown in table 4.1-9 is the number of respondents (f) for the various statements expressed as a percentage of the total respondent rate for project performance.

From the table the following deductions were made:

65% agreed that projects meet their intended objectives/goals, 14% were undecided while 21% disagreed. 98% agreed that for better project performance, there is proper utilization of resources while 2% were undecided.

67% of the respondents agreed that the internal and external customers were happy with the performance of NMG's projects while 21% were undecided.

Projects meeting their intended goals and customers being happy with projects scored 65% and 67% respectively for those who agreed. Although the scores were above average, the 45% project failure rate could be attributed to lack of clear project objectives and goals. The goals should be communicated to all the project team members and other stake holders. Also regular customer/supplier feedback should be encouraged and their level of satisfaction communicated so as to improve on project performance.

Table 4.1-9: Project performance

	5 Strongly agree		4 Agree		3 Neither Agree Nor disagree		2 disagree		1 Strongly disagree	
	f	%	f	%	f	%	f	%	f	%
1. The projects meet their intended objectives/goals	13	30	15	35	6	14	9	20	0	0
2. Our internal and external customers are happy with the performance of our projects	5	12	29	67	0	0	9	21	0	0
3. For better project performance ,there is proper utilization of resources	15	35	25	58	1	2	2	5	0	0
Total Score	33	25	69	53	7	5	20	15	0	0

Source: Author (2012)

From the analysis the four dimensions of corporate culture were ranked as follows as shown in table 4.1-10.

Table 4.1-10: Ranking of independent variables

	Strongly agree and agree %	Strongly disagree and disagree %
Training and development	69	31
Teamwork	57	43
Communication	53	47
Reward and Recognition	50	50

Source: Author (2012)

From the table, it is evident that training and development ranks higher than the other three independent variables with 69%. This shows NMG management puts more emphasis on training and development and least emphasis on reward and recognition.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

In this chapter the research summary, conclusions and recommendations are discussed. The research objectives, research questions and problem statement were revisited to determine if they were successfully addressed by the research. This was followed by recommendations and finally recommendations for future research.

5.1 Summary

The main objective of the study was to establish the effect of corporate culture on project performance. The specific objectives were to:

1. Establish the effect of communication on project performance at NMG.
2. Determine the effect of team work on project performance at NMG.
3. Find out the effect of reward and recognition on project performance at NMG.
4. Determine the effect of training and development on project performance at NMG.

The analysis of the questionnaire was done and presented by use of tables. From the analysis, it was observed that corporate culture plays an important role in project performance. This coincides with the findings from the literature review in chapter 3. The responses from each of the four dimensions of corporate culture showed that training and development, team work, reward and recognition, and communication were valued as important for performance of projects at NMG.

5.1.1 Determine the effect of training and development on project performance at NMG.

From table 4.1-5, it can be deduced that majority of the respondents agreed to most of the statements under this specific objective. There were a few of those who were undecided, did not agree or strongly disagreed. Majority of the respondents agreed that they are encouraged to accept education and training, resources are available for employees' education and training, specific work-skills training are given to all employees and most of them are trained on how to use quality management methods/tools for project success. Majority of the respondents also

agreed that training and development of employees is done fairly to ensure better project performance. This is supported by results from an empirical research conducted by Belassi and Tukel (1996) where the project managers' are the most critical factors in manufacturing projects. Thus, training and development influences project performance by encouraging staff to learn, ensuring learning resources are available and providing specific work-skills training. It also ensures fairness in training and ensures use of quality management methods.

5.1.2 Determine the effect of team work on project performance at NMG.

The results under this specific objective are captured in table 4.1-7. Majority of the respondents were in agreement that work within their departments is appointed around groups that ensure projects' success. From the analysis most respondents enjoy working in a group which shows that employees at NMG embrace team spirit. However most respondents felt that the poor performance of projects was due to inadequate work-skills training given to team members and some decisions made without consensus. The other reason for poor project performance is inadequate work-skills training. From the analysis it can be noted that if teamwork within the group is enhanced, then project performance will improve through sharing of skills, ensuring groups are focused and ensuring decisions are made through consensus.

5.1.3 Find out the effect of reward and recognition on project performance at NMG.

Table 4.1-6 captures the results of this research specific objective. The working environment needs to be improved as observed from the analysis. The work environment includes their safety and security. It was observed that only 14 respondents agreed that the compensation system encourages team and individual contributions to ensure project success while 22 respondents disagreed. The management needs to put in place fair compensation system for its staff. On the other hand the respondents appreciated the fact that rewards and penalties are clearly communicated and this ensures better project performance. Project performed better by rewarding suggestions either in cash or kind. This is in line with Quia et al (2001), who identified eight independent critical success factors for projects of which one was attractive financial package. Reward and recognition influence project performance by motivating staff, ensuring fairness in compensation and ensuring rewards and penalties are clearly communicated.

5.1.4 Determine the effect of communication on project performance at NMG.

Majority of the respondents agreed that the communication was vital for better performance of the projects. It was observed that employees' communication was effective in communicating things that are relevant to them so as to ensure project success. This is evidenced by table 4.1-8. Communicating effectively is sending the message a way that the receiver can understand and accept the message, Hersey et al (2001). Effective, regular, planned and adhoc communication with all members of the project community are necessary for project success, Briner et al (1990). Communication affects project performance by providing feedback between management and the other staff, giving relevant ideas to employees and ensuring matters affecting project teams are clearly understood.

5.1.5 Project Performance

From table 4.1-9, it was observed that majority of the respondents agreed that projects met their intended objectives and this made their internal and external customers happy. The results demonstrated that a clear project mission is positively related to both direct and indirect project success. This finding correlates with Pinto and Slevin (1989) findings, which revealed that project mission is the most important factor related to project success across the entire project life cycle. Another observation was that the projects resources were properly utilized. Thus projects at NMG should be measured on the ability to meet the intended objectives, whether customers are happy and proper utilization of resources.

5.2 Conclusion

From the data analysis, it can be concluded that the 45% failure rate of projects at NMG is due to inadequate specific work-skills training which makes it impossible for team members to accomplish project tasks leading to cost over runs and delays. Also poor working conditions, poor compensation system and lack of fairness in reward and recognition which demotivates project teams. It can also be concluded that some workplace decisions are not made through consensus because those who disagreed were more than those who agreed. This makes it difficult for the project teams to own the processes. The other cause for project failure is due to inadequate customer/supplier feedback to address issues affecting project teams hence the teams are unable to come up with proper

correctional measures. Lack of clear project objectives and goals which make it difficult for the project team to determine key performance indicators also affect projects performance at NMG. Therefore the effect of corporate culture on project performance at NMG cannot be overlooked hence the management should put up policies and implementation mechanisms that foster the four dimensions of corporate culture. The researcher was able to achieve the main and the specific objective of the study in addition to answering the research questions.

5.3 Recommendation

Previous research has indicated that being technically competent in the principles of project management is not sufficient for projects to be successful, Berg and Karlsen (2007). Many projects continue to fail despite the use of established project methods and techniques, Chabursky (2005). Failed projects cost organizations millions of lost revenue or wasted resources, Standish Group (1994), and support the perception that the profession of project management is ill equipped to deliver project success. The management needs to put in place a corporate culture that will support project success. For example NMG management should regularly provide customer and supplier feedback and set up opportunities for direct, face- to –face meetings between team members and customers or suppliers for better project performance. This will enable the project team air their grievances on quality of materials and the best way to address the causes of failure. The company should also ensure that the reward and recognition system is fair based on merit. Policies and procedures on working conditions should be reviewed in order to recognize employee quality improvement efforts for better project performance. On training and development, the company should ensure learning resources are available and that use of quality management methods is encouraged. There should also be fairness in training and ensure all employees get specific work-skills training. Sharing of skills, group focus and decision making through consensus should be encouraged in order to foster team spirit.

5.4 Recommendation for further study

The research focused on the four dimensions of culture change that is communication, training and development, reward and recognition and finally team work. However there are other factors that can affect project performance for example leadership and organizational structure and future researchers can focus on this in relation to NMG.

Future researchers can also focus on NMG as a whole as this research was limited to Mombasa road plant.

REFERENCES

- Barbara, S. (2001). *Organizational Change*, 2nd edition. Harlow England Prentice Hall
- Beer, M. and Nohria, N. (2000). *Breaking the code of change*. Harvard Business School Press.
- Berk, Richard A. (2003). *Regression analysis: A constructive critique*. Thousand Oaks, CA: Sage Publications.
- Boon, O.K and Arumugam, V. (2006). The influence of corporate culture on organizational commitment: case study of semiconductor organizations in Malaysia. *Sunway Academic journal*.
- Cherrington, D.J. (1995). *The management of human resources*, 4th edition. Englewood Cliff, NJ: Prentice Hall.
- Cooke, R.A., & Rousseau, D.M. (1998). Behavioural norms and expectations: A quantitative approach to the assessment of organizational culture. *Group and organizational studies*.
- Garmendia J.A (2008). *Impact of corporate culture on Company performance*. Unpublished thesis ,Universidad Complutense Madrid
- Giturwa, J.G (2006). *Effects of training on employee performance in Unilever (K) Ltd., KIM EMBA*. Unpublished thesis.
- Gray,J.H., Densten, I.L., & Sarros, J.C.(2003). *A matter of size: does organizational culture predict satisfaction in small organizations?* Melbourne, Austarlia.
- Haimes G.A (2006). *Organizational Culture and Identity: A Case Study from the Australian Football League*. Unpublished doctor of philosophy thesis, Victoria University.
- Hardy, C. (1993). *Understanding organization*, 3rd edition. Penguin
- Hornell, E.(1992). *Improving productivity for competitive advantage*. Pitman Publishing.
- Kamau, A.G.(2005). *An Assessment of Factors that influence implementation of strategic change in government parastatals, the case of National Cereals and Produce Board*. Unpublished MBA (Exec) thesis, Moi University.

Letting, N. (2008). Leveraging on corporate culture for organisational success. Kenya Institute of Management journal, Sep. pg. 43

Koontz, H. and Weihrich, H. (1993). 10th edition. McGraw Hill Inc.

Lopes ,C.(2003).Corporate Culture and Its Effect on Product Quality, Reputation and Market Share: A Mergers and Acquisitions Analysis. Unpublished MBA thesis, Northwestern University.

Mainiero, L.A. & Tromley, C.L (2003). Developing Managerial Skills in organizational behavior, 2nd edition. Prentice-Hall of India

Mbago, J.K. (2004).Assessment of factors affecting strategy implementation at Kenya Railways Corporation, KIM EMBA. Unpublished thesis.

Mbarak , A.F(2006). Business process re-engineering impediments facing Kenya Civil Aviation Authority. KIM EMBA. Unpublished thesis.

McShane, S .L. & Glinow, M.A.V (2008). Organizational behavior, 4th edition. McGraw-Hill

McSparren,W.M (2007). Models of Change and the Impact on Organizational Culture: The Sanctuary Model ® Explored, Masters of Science in Nonprofit Management, Robert Morris University.

Recardo, R. & Jolly, J.(1997). Training of teams in the work place. S.A.M Advanced Management Journal.

Schein ,E.H.(1998). Organization Culture and Leadership.CA JOSsey-Bass.San Francisco

Sobhani,A (2008). Impact of Information Technology on Productivity. Unpublished Master's thesis, Tarbiat Modares University, Iran.

Tabachnick, Barbara G. and Linda S. Fidell (2001). Using Multivariate Statistics. Fourth Edition. Boston: Allyn and Bacon

Trompenaars, F. & Prud'homme, P. (2004). Managing Change across corporate cultures, Capstone Publishing Ltd.

http://www.changeperform.com.au/cultural_change_process.html (10/10/11)

http://accel-team.com/productivity/productivity_01_what.html (10/10/11)

<http://www.enation.co.ke> (10/10/11)

<http://faculty.chass.ncsu.edu/garson/PA765/regress.htm> (8/11/11)

<http://www.creative-wisdom.com/teaching/assessment/alpha.html> (8/11/11)

APPENDICES

APPENDIX 1: INTRODUCTION LETTER

Dear Respondent,

RE: REQUEST TO FILL QUESTIONNAIRE

I am a student at Kenyatta University undertaking a research study for my MBA program titled, “The effect of corporate culture on project performance at Nation media Group”.

I request for your assistance in filling the attached questionnaire. Be assured that the information will be treated with utmost confidentiality and will be used for academic purposes only.

Thank you.

Yours faithfully,

Jumba

APPENDIX 2: QUESTIONNAIRE

Tick in the box where applicable

Part A- General Questions

1. What is your gender?

Male ☐ Female ☐

2. In which age group do you fall?

20-30 ☐

31-40 ☐

41-50 ☐

Older than 50years ☐

3. Which level of staff do you belong to?

Top Management ☐

Middle Level Management ☐

Operational Management ☐

Junior Employee ☐

4. What is your level of education?

Primary education ☐

Secondary education ☐

Diploma ☐

Graduate ☐

Post graduate ☐

Part B – Corporate culture

In the following sections you are required to respond by placing a check mark under the selection of your choice beside each listed factor.

1. Training and development

	5 Strongly agree	4 Agree	3 Neither Agree Nor disagree	2 disagree	1 Strongly disagree
6. Employees are encouraged to accept education and training within the company to foster project performance					
7. Resources are available for employees' education and training within the company for projects to be successful					
8. For projects to be successful, Specific work-skills training are given to all employees					
9. Most employees in this company are trained on how to use quality management methods/tools to enhance project performance					
10. Training and development of employees is done fairly to ensure projects perform well.					
11. Others(Specify)					

12. From your experience how has training and development impacted on project performance?

2. Reward and recognition

	5	4	3	2	1
	Strongly agree	Agree	Neither Agree Nor disagree	disagree	Strongly disagree
1. This company improves working conditions in order to recognize employee quality improvement efforts for better project performance.					
2. The compensation system encourages team and individual contributions to ensure better project performance.					
3. Reward and recognition system within the company rewards relationship and task accomplishments based on work quality to promote better project performance.					
4. All suggestions for better projects performance are appropriately rewarded in cash and kind.					
5. Employees' rewards and penalties are clearly communicated to ensure better projects performance.					

6. In order to ensure better project performance, reward and recognition system is fair					
7. Others(Specify)					

8. From your experience what has been the effect of reward and recognition on project performance at NMG?

9. Teamwork

	5	4	3	2	1
	Strongly agree	Agree	Neither Agree Nor disagree	disagree	Strongly disagree
5. Work within this department is appointed around groups that ensure better projects' performance.					
6. I am more comfortable working in a group rather than individually to ensure better project performance.					
7. Specific work-skills training are given to all team members. Other units or departments always co-operate with me when I need assistance to ensure projects perform better					
8. In this company, workplace decisions are made through consensus to ensure better project performance.					
9. Others (specify)					

10. In your opinion, how has team work affected project performance at NMG?

10. Communication

	5	4	3	2	1
	Strongly agree	Agree	Neither Agree Nor disagree	disagree	Strongly disagree
3. Management regularly provides customer/supplier feedback and sets up opportunities for direct, face- to –face meetings between team members and customers/suppliers for better project performance.					
4. Employees' communication is effective in communicating things that are relevant to them so as to ensure better project performance.					
5. Others (specify)					

In your opinion, what can be done to improve communication at NMG so as to improve project performance? _____

Part C – Project Performance

	5	4	3	2	1
	Strongly agree	Agree	Neither Agree Nor disagree	disagree	Strongly disagree
4. The projects meet their intended objectives/goals					
5. Our internal and external customers are happy with the performance of our projects					
6. For better project performance ,there is proper utilization of resources					
7. Others (Specify)					

8. What are the other measures of project performance at NMG?

Thanks once more, your input is highly appreciated.

APPENDIX 3: TIME SCHEDULE

	Activity	Duration (2012)
1	Appointment of research study supervisor	2 weeks
2	Research study discussion with supervisor	1 week
3	writing chapter 1 and submission of draft	1 week
4	writing chapter 2 and submission of draft	1 week
5	chapter 3 - data collection , analysis, summary and conclusion	7 weeks
6	Submission of draft for chapter 3 and 4	1 week
7	Submission of first draft of the entire research study to supervisor.	2 weeks
8	supervisor and committee read draft and give feedback	2 weeks
9	Defense (presentation and discussion of thesis with entire committee)	3 weeks
10	Final revisions made and approval of research study.	2 weeks
		22 weeks

APPENDIX 4: RESEARCH BUDGET

Item	Cost (Shs.)
1. Stationary	5000
2. Printing and binding services	4000
3. Photocopying	3000
4. Travelling expenses	5000
5. Telephone communication	3500
6. Laptop	<u>50000</u>
Total	70,500