#### ASHESI UNIVERSITY COLLEGE

# THE ROLE OF CULTURE IN HUMAN RESOURCE TRAINING AND DEVELOPMENT

# By AKUBA AGYEMAN BOAKYE

Dissertation submitted to the Department of Business Administration,
Ashesi University College.

In partial fulfillment of the requirements for the award of a Bachelor of Science degree in Business Administration

**APRIL 2010** 

**DECLARATION** 

I hereby declare that this dissertation is the result of my own original work

and that no part of it has been presented for another degree in this

university or elsewhere.

Candidate's Signature:.....

Candidate's Name: Akuba Agyeman Boakye

Date: 20<sup>th</sup> April, 2010

I hereby declare that the preparation and presentation of the thesis were

supervised in accordance with the guidelines on supervision of thesis laid

down by Ashesi University College.

Supervisor's Signature: .....

Supervisor's Name: Esi Ansah

Date: 20<sup>th</sup> April, 2010

i

# Acknowledgements

To my supervisor Dr. Esi Ansah, who pushed me beyond my limits, frequently drew green 'maps' on my work and gave me a bright smile when I was at my wits end, I say - "Ayekoo, it is done!" To my thesis group – "We made it!"

Mr. Edward Abrokwah, thank you so much, my data collection would not have been possible without you. I also want to thank the employees of ProCredit who took time off to participate in this study.

My sincere gratitude goes to Suganthan Allotey and Harriet Phillips, for reading my work and giving me excellent feedback.

To Mr. and Mrs. Boakye, "thank you for your love throughout the years and the encouragement through the duration of this project". To Kwabena Boakye and Asinaa Boakye, "you two are the best a sister could ask for". Anthea, Daphne, and Jayden, "you light up my world". Kwabena Adu-Mensah, "I could not have done this without your help".

I also want to thank my friends Akosua Agyei-Boahene, Esther Mensah, Esther Osei, Joseph Amegatcher, Deladem Ladson, Kwei Quaye-Foli, Kojo Biney, Moses Ahitub and Selassie Fiamafle for their encouragement and support. To my best friend, my father Emmanuel, "thank you for walking with me through every word in this paper".

Last but not least, I want to say "thank you" to all my lecturers at Ashesi who taught me to think. This work is the fruit of your labor.

#### **ABSTRACT**

This dissertation analyzed the role of culture in Human Resource Training and Development practices through a qualitative study of ProCredit Ghana Ltd. The guiding theory for the work was the 'Model of Culture Fit' developed by Kanungo and Medonca in 1990 which postulates that national culture and industry culture influence human resource management practices through the mediation of organizational culture.

Through a survey, interviews, observation, and company policy documents, cultural values based on the cultural dimensions of Geert Hofstede and organizational culture dimensions of Edgar Schein, existing in the organization were established. The quantitative and qualitative data were both analyzed to determine if relationships existed between the cultural values on the various levels based on the guiding theory.

The organizational cultural values were found to be positively correlated with the national cultural values and the industry values. The analyses showed that the organizational culture had a role in the development and structuring of training and development programs. Another interesting find was the ability of employees to adapt to the environment of the firm although some of the firm's values conflicted with their national values.

The study will guide organizations in the development of an organizational structure that will enhance the strategy of the firm and improve all human resource management practices.

# Contents

DEC	LARATION	
Ackr	nowledgements	ii
Abst	tract	iii
СНА	PTER ONE	1
1.1	Problem Statement	6
1.2	Objectives	8
1.3	Methodology	9
1.4	Outline of Dissertation	9
СНА	NPTER TWO	11
2.1	National Culture and Cultural Dimensions	12
2.2	Organizations and their Management	14
2.3	Organizational Culture and Human Resource Management	16
2.4	Training and Development	18
2.5	Theoretical Framework: The Model of Culture Fit	19
СНА	PTER THREE	23
3.1	Research Proposition	
3.2	Research Sample and Data Source	
3.3	Research Design	
3.3.	1 Sampling Procedure	
3.3.	2 Operationalization	26
3.3.	3 Validity and Consistency	27
3.3.	4 Instruments	28
3.4	Data Collection Procedure	29
3.5	Data Analysis	29

#### CHAPTER ONE

#### INTRODUCTION OF STUDY

Managers all over the world are faced with the challenges of globalization, ever-improving technology and the most diverse workforce ever in the history of business (Jackson, Schuler & Werner, 2009). In managing a diverse workforce, managers have to incorporate their knowledge of the industry and culture. Managers have to understand the cultures they operate in and the cultural values of their employees. The present diverse nature of the labor market makes this very complex. Culture affects the organizational culture of any company and inadvertently has an impact on human resource management (Aycan et al, 1999). This research studied the role of national culture and organizational culture in training and development which is a major function of human resource management. The work was based on the theory of the 'Model of Culture Fit' which states that human resource management practices are affected by national culture through the mediation of organizational culture (Aycan et al, 1999).

Culture is a set of "common patterns of beliefs, assumptions, values and norms of behavior of a human group" (Aycan et Al, 1999, pg.3). It defines the way people think and act in all aspects of their lives and therefore affects the way they do business. Culture is developed on three

levels, by societies, institutions and organizations. Culture may be defined by ethnic groups, religions and schools.

Research has however shown the existence of culture common to countries. According to Geert Hofstede, a Dutch social psychologist, countries have national cultural values which are consistent throughout a nation. He describes culture as the 'mental programming' of society (Sivakumar & Nkata, 2001). He conducted research using data collected from the IBM employees in forty countries to determine trends and patterns of behavior that are country specific. He classified these cultural traits into five dimensions namely, masculinity/femininity, uncertainty avoidance, individualism/collectivism, power distance and long term orientation. The masculinity dimension refers to the tendency to compete instead of putting priority on human interaction and caring for others as the femininity dimension describes. Uncertainty avoidance measures the ability of people to be comfortable with ambiguity. The extent to which people in an organization accept the unequal distribution of power in an organization is measured by the power distance dimension. People in a society may also show interdependency (collectivism) or be individualistic. The last dimension, long term orientation deals with the loyalty of a group of people to tradition and social obligations.

Most of the research was carried out on a country by country basis and Hofstede gave each country a score for each dimension on a scale of one to hundred with one being the lowest score and hundred being the highest. Therefore citizens of a country that score eighty in power distance would be thought to be more tolerant of unequal power than the citizens of a country that scores thirty five. Countries in the West African sub-region were however classified in one category and given the same scores. The scores for West Africa are shown in the table below along with results for USA and the world average scores.

Table 1. Cultural Dimensions for West Africa

Dimension/country	Ghana	USA	World Average
Power Distance	73	40	55
Long Term Orientation	12	29	45
Masculinity	42	62	50
Individualism	17	91	43
Uncertainty Avoidance	50	46	64

For the purposes of this study, the dimensions of Hofstede will be used as proxies for determining national culture. According to Hofstede, Ghana has a high score on power distance. This means that inequality in power between the leaders and followers is accepted. Ghana is low on individualism meaning that Ghanaians value interpersonal relationships. This is evident through the extended family system that exists in Ghana. According to the study, female roles are distinguished from the roles of men and people in Ghana are not as assertive as their counterparts in other countries who have a higher score in Masculinity (e.g. USA). Ghanaians also tend to value tradition and social obligations as explained

by the low score in long term orientation and are split on the value dimension of uncertainty avoidance. Hofstede and Aycan et Al (1999), assert that these cultural dimensions affect the way we do business especially our human resource management practices since this involves dealing with human capital who have been socialized in that environment.

Human resource management (HRM) is the development of policies, programs and practices for the human resource of a company (K'Obonyo & Dimba 2007). The human resource of any company is the talent and power that is available to drive the goals of the company into being achieved. Good human resource management has been linked to higher productivity, profitability and organizational competitiveness (Schuler and Jackson, 1996). However, for HRM to be effective, it must be linked to the strategy of the company. Contrary to this, Brewster (1995) argues that integration of HRM with company strategy is rare even in large corporations. The company strategy should be the basis of the organizational culture which will shape the HRM practices of the company. Organizational culture is based on the values of the company and the individuals within it (Hambrick & Mason, 1984).

Organizational culture also has been categorized into dimensions based on research. Aycan and his associates (1999) synthesized dimensions of organizational culture from various researches. Internal work culture is divided into the following dimensions:

- Locus of control: whether or not employees can control the outcomes of their decisions (Rotter, 1966 as cited in Aycan et al, 1999)
- Malleability: whether or not employee nature can be changed or trained (Kanungo & Jaeger, 1990; McGregor, 1960; Schein, 1992 as cited in Aycan et al, 1999)
- Futuristic orientation: whether or not employees consider the future in planning their actions and tasks (Kluckhohn & Strodtbeck, 1961; Triandis, 1984 as cited in Aycan et al, 1999)
- Proactivity/reactivity: whether employees take personal initiatives or simply react to external demands while trying to achieve their job objectives (Kanungo & Jaeger, 1990; Rothbaum, Weisz, & Snyder, 1982 as cited in Aycan et al, 1999)
- Responsibility seeking: whether or not employees accept and seek responsibility in their jobs (McGregor, 1960 as cited in Aycan et al, 1999)
- Participation: whether or not employees prefer delegation at all levels and like to be consulted in matters that concern them (Bass, 1981; Cotton, 1993; McGregor, 1960 as cited in Aycan et al, 1999)
- Obligation toward others: whether or not employees feel obliged to fulfill their responsibilities towards others in the workplace (Bailyn, 1978; Schein, 1978 as cited in Aycan et al, 1999).

These dimensions are based on the dimensions of national culture and are inter-related (Aycan et al, 1999). For example, a manager of a company in a society that has high power distance will not involve employees in decision making and will assume he has the right and authority to make every decision. He will be bureaucratic and will not allow them to take initiative. This will affect the participation,

responsibility seeking and reactivity/proactivity dimensions of the internal work culture directly.

This link between national culture, organizational culture and HRM practices stresses the importance of this study. No organization can survive without proper HRM and it is important to develop ways to improve it. Human resource training and development is one of the most essential human resource management practices. According to Stravou-Costea (2002), the skills, knowledge, and experiences of employees have economic value and the potential to make a firm productive. Training increases employee commitment and improves performance. Training and Development practices have to be developed with these benefits in mind and it is important for companies to realize the cultural assumptions they make in developing these practices and the potential benefits and demerits of these assumptions to the company. Knowing these assumptions will help the organizations know what effects they have on their companies and what measures to take to improve the existing practices.

#### 1.1 Problem Statement

Training and Development (T & D) has the potential to make the difference between the success and demise of a company (Stavrou-Costea, 2002). Even though most companies in Ghana take Training and Development seriously, it is usually negatively affected by some cultural

values and practices (Debrah, 2004). Some companies also import Human Resource Practices from abroad or implement policies from parent companies without adapting it to the local context. Companies that have human resource practices that are contrary to existing 'local' cultural values risk having dissatisfied employees (Jackson, Schuler & Werner, 2009). For example, studies in India and Asia have shown that employees react negatively to empowerment (Jackson, Schuler & Werner, 2009). Empowering employees is generally considered a good HR activity but if the targets of this plan fail to recognize and utilize it, it becomes a useless venture. Some employees also may acquire skills that they cannot utilize in their companies because the organizational culture is not conducive to change. There is a need for companies to know the cultural values that exist in their organizations and what effect these values have on their training and development practices.

#### Research Question:

What is the role of culture in the training and development practices of an organization?

The training and development practices of an organization are a part of its human resource management practices. These practices as stated by the 'Model of Culture Fit' are influenced by the organizational culture. The organizational culture is a product of the national culture and the industry culture. This research question seeks to find how all these

'seemingly different but related' cultures influence training and development at ProCredit Ghana Ltd.

# 1.2 Objectives

The main objectives of the study are to:

- § Investigate the relationship between the organizational cultural values and the T&D practices the organization
- § Identify the national and organizational cultural values in the organization under study
- § Find a correlation between the organizational culture dimensions and the national culture dimensions

# Significance of Study

The issue of culture and its effect or impact on organizations especially the human resource management of the organization has been a topic of social inquiry for a significant amount of time now. Work on this topic and related issues have been studied in all the continents of the world. However, the 'Model of Culture Fit' as discussed earlier has not been applied to a case in Ghana. This makes this study of significant importance to human resource professionals and all other stakeholders in organizations. The study will also guide organizations to shape their organizational culture to make training and development effective. This guide will help in the development of an overall strategy for any company to succeed in their chosen line of business.

# 1.3 Methodology

This research was deductive in nature in that it was based on the 'Model of Culture Fit' and the data collected was analyzed based on this theory. Data was obtained through surveys, observation and interviews. The sampling units for the research were employees of ProCredit Ghana Ltd. Employees from the company participated in the survey by filling out questionnaires, while the Human Resource training and development management team were interviewed using an unstructured interview format. The participants were chosen using availability sampling. The quantitative data was analyzed using the SPSS program and Microsoft Excel programs and the qualitative data was analyzed using content analysis.

#### 1.4 Outline of Dissertation

# Chapter 1: Introduction

This section will provide a general overview of all the sections of the study and introduce the reader to the study and research enquiry.

#### Chapter 2: Literature Review

This section will discuss various streams of literature related to the study under the following topics:

#### § National Culture and Cultural Dimensions

- § Organizations and its management
- § Organizational Culture and Human resource management
- § Training and development
- § Theoretical Framework

# Chapter 3: Methodology

This chapter will detail the research design, sampling procedure and data collection and will provide information on the validity and consistency of the study.

# Chapter 4: Presentation of Data

This section will present the data obtained for the study in response to the various objectives outlined. It will include graphs and tables of relevant information needed for analysis.

### Chapter 5: Discussion, Recommendations and Conclusion

This section will discuss the findings of the research in relation to the literature reviewed and analyze the role that culture has had on the training and development practices of ProCredit.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

- "The industrial revolution was about economies of scale. The internet revolution will be about economies of skill and how you empower your people".
  - John Chambers, CEO, Cisco Systems (Jackson, Schuler, Werner 2009,pg.18)

In this age of technology and fast paced innovations, many organizations are beginning to realize that training and developing its human resource can create a competitive advantage for them in their industry (Stavrou-Costea, 2002). T&D has a positive impact on a company's productivity, recruitment and retention; and employee satisfaction. As with any HR function, T&D is influenced by internal and external factors. This work is based on the 'Model of Culture Fit' developed by Kanungo (1990) which states that the human resource management of an organization is impacted by the industry culture of the organization and the national culture of the management and employees and management through the medium of organizational culture. This study explored the role that the national cultural values of Ghana and organizational culture have on the training and development activities of multi-national financial institutions in the country. This chapter will discuss literature and previously published work that relates to the study.

#### 2.1 National Culture and Cultural Dimensions

According to Jackson, Schuler, and Werner (2009), an organization exists in an external environment which consists of the following elements: "economic globalization, the political landscape, industry dynamics, labor markets, and country cultures" (national culture). These elements influence the way a company manages its human resource.

Culture is a system of shared norms, values, and patterns of beliefs of people of a certain society. These norms and values are acquired through the process of socialization (Sharma & Chew, 2005). National cultural values are also deeply entrenched in people and are difficult to change (Sharma & Chew, 2005). Cultural dimensions also describe certain values that are distinct and observable within a particular group (Gerhart & Fang, 2005).

A lot of research has been conducted on culture, and models have been developed in an attempt to describe various cultures and the differences between them (Jackson, Schuler, Werner 2009). To describe a culture, it is necessary to identify the values the individuals in the society have. For the purpose of this study, Hofstede's cultural dimensions will be adopted as a template to identify cultural values. Ghana cannot be said to have a specific culture, so even though there are scores for cultural dimensions available for Ghana through Hofstede's research, the values were tested again for this study.

Being able to assess people simply based on their national identities is a powerful triumph in managerial and social sciences but some researchers do not believe that national cultural dimensions are valid (Gerhart & Fang, 2005). McSweeney for instance questions the existence of national cultures and the possibility of all individuals in a nation sharing particular traits (McSweeney, 2002). For him, making assumptions about an individual purely based on his nationality would be as flawed as saying "the problem with Hitler was that he was German" (Davies, 1999 as cited in McSweeney, 2002, pg 93). Hofstede however believes that cultural traits are involuntarily acquired or as it were are programmed into human minds by the age of ten. These traits form the basis of the way we do everything, from learning to business.

Hofstede's work has been further criticized for not paying attention to the variances in the data collected from individuals in the same country and rather relying on the interpretation of the F statistic of the data. Hofstede's error as discovered by other scientists was assuming that the magnitude of the F statistic of a variable (dimension) was an indication of the variance and significance of the variable across countries. However the F statistic is dependent on sample size (which was not uniform across countries in Hofstede's study) and the number of categories of the independent variable.

For national cultural dimensions to exist, the differences between countries should be greater than differences within a country. However,

only four percent (4%) of the variations derived from the data in Hofstede's study can be attributed to countries (Sivakumar & Nkata, 2001). For national culture to have such significance, another assumption would be that the variances attributable to other sources such as organizations are small in comparison to the variances attributable to national culture (Sivakumar & Nkata, 2001). In this instance too, Hofstede's research is found wanting, in lacking an explanation of the fact that the variances between organizations were greater than the variances found between countries (Sivakumar & Nkata, 2001). Even though these findings could mean a different interpretation for Hofstede's research there is no critique of the cultural dimensions he theorized. To avoid having these errors affect this study, only the cultural dimensions established from his study will be used as proxies for measuring the cultural values of the participants. Based on these findings this study also did not assume that national culture alone has an effect or role in HRM. To be able to incorporate these two fields, the 'Model of culture fit' which posits that HRM is influenced by national and organizational culture was used.

# 2.2 Organizations and their Management

The success of a company depends on the evaluation of its stakeholders and may be attributable to the management of the organization (Hamrick & Mason 1984). Managers use their experience,

education and leadership ability to steer the organization towards its goals and objectives by leading the employees. Hambrick & Mason (1984) assert that an organization's strategies and effectiveness are based especially on the cognitive abilities of the top managers. It would therefore be tactical to match the characteristics of the top managers of a firm with the nature and strategy of the firm (Jackson & Schuler, 1987). It is impossible for an organization to succeed without proper management of its human resources and this makes it a function that should be given proper attention by managers (Jackson, Schuler & Werner 2009). Human resource should be an integral part of any company's strategy.

According to the book *Managing Human Resources* by Jackson, Schuler and Werner (2009), a CEO's view of employees is likely to affect the way the CEO deals with the changing business environment. These views or assumptions that managers have about their employees are based on the national culture of the society from which employees are recruited (Aycan et al, 1999). Managers use assumptions because they are mental shortcuts that help to organize thoughts and situations. Managers first of all have to deal with understanding the cultures within which they work and the values that their employees hold dear to enable the managers lead the employees effectively. Based on this reasoning, Hambrick and Mason in their study "Upper Echelons: The Organization as a reflection of it Top Managers" (1984) developed a model of how

managers make decisions (see Appendix A, Fig. 4). First a manager takes in his 'field of vision' or the environment within which the problem exists and then 'selectively perceives' some of the phenomena in this environment by analyzing these phenomena based on his cognitive abilities and values (cultural values).

As companies go across borders, it is important for them to understand cultures and base work design and management styles on it (the national culture). Managers also have their own understanding of culture which shapes their thinking. According to Aryee, "the cultural values of the managers are expressed in the way institutions function and in the justification that leaders provide for their behavior" (2004).

# 2.3 Organizational Culture and Human Resource Management

Edgar Schein (1996) described the internal work culture of an organization or the organizational culture as a collection of values that are held by people within an organization which are tried and accepted and passed on. Organizational culture can be created based on the organizational structure of the firm, the way tasks are handled in a firm, the strategies, and the industry culture of the organization e.t.c. The model of Edgar Schein classifies these variables into artifacts<sup>1</sup>, values<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The visual organizational structures and assets

<sup>&</sup>lt;sup>2</sup> Organizational goals, strategies and mission e.g. slogans and mantras

and assumptions<sup>3</sup> (Schein, 1992). According to Schein, national culture, even though usually taken for granted, is one of the most stable forces acting on the creation of an organizational culture. The assumptions are deep seated fundamental levels of organizational culture while the artifacts and values are the surface level expressions of culture (Chew & Sharma, 2005).

Human resource management (HRM) is the development of policies, practices and programs for the human capital of a firm (Jackson, Schuler & Werner, 2009). HRM is an essential function in the operations and success of any organization. External elements like the economy, socio-political environment and country cultures affect the way a company manages its human resource. Internally, the technology, business strategy and organizational culture affect HR management (Jackson, Schuler & Werner 2009).

Aycan et al (1999) stated that the human resource management of an organization is affected by its organizational culture. This was validated in their study, *Organizational Culture and Human Resource Management Practices* (1999), which took samples from two countries, India and Canada which are deemed 'substantially different' cultures based on the findings of Hofstede's research. Individuals from these two countries participated in surveys that questioned their national cultural

<sup>&</sup>lt;sup>3</sup> Unconscious thoughts and perceptions that ultimately are the source of values and actions

values, their organizational culture dimensions and their human resource management practices. A positive correlation was found to exist amongst these variables. For example in India, the results showed that the participants perceived their culture to be paternalistic and this corresponded with the organizational cultural dimension of participation. The managers looked at their employees as their children and tended to nurture them and help them develop. This encouraged supervisors and subordinates to jointly set goals.

# 2.4 Training and Development

HR Training and Development (T&D) is necessary in improving the ability of a workforce to achieve the goals and strategy of a business. The human capital of a firm is a vital resource that can make the difference between whether a firm succeeds or not (Jackson & Schuler, 1987). Training and development is a key constituent of any HRM plan because it also increases the value of the firm.

For T&D to be effective, it has to follow the strategy of the company. These strategies are also created and developed based on the assumptions of the managers of the organization. First of all, the level of importance that management attaches to T&D will depend on the assumptions they make about their employees (Debrah, 2004). Some cultures encourage participation while others rely on learning by

observation. Cultural assumptions about employees could affect the needs analysis for training and the decision on who to provide training. High power distance will dictate that employees do not need to be empowered and training will always be done by older managers who respect status and experience above all else. Training that encourages employees to think on their feet and take initiative (such as leadership training) will therefore not be effective in a bureaucratic organization because there is always the preference to 'check with the boss' (Debrah, 2004). However, training has been accorded significant importance in the public sector and in large international companies (Debrah, 2001 as cited in Debrah, 2004, pg.127).

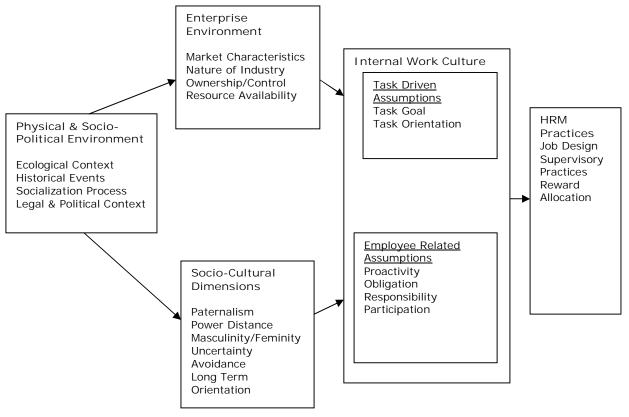
#### 2.5 Theoretical Framework: The Model of Culture Fit

The theoretical framework for this study incorporates all the elements previously discussed in this chapter. The model of culture fit (developed by Kanungo and Mendonca, 1990) postulates that national culture and industry culture has a direct influence on HRM through the mediation of internal work culture. The human resource of the organization is then managed based on the organizational culture. For example, an organization is set up in a country which is perceived to have low power distance, meaning that power is evenly distributed from the leaders to the followers. The managers in this organization will assume

that the employees can handle being given some power and will create a flat organizational structure that will discourage bureaucracy (Debrah, 2004). Human resource activities such as performance appraisals will be affected in the sense that for example 360 degree appraisals will be used in such a company instead of having just supervisors evaluate subordinates.

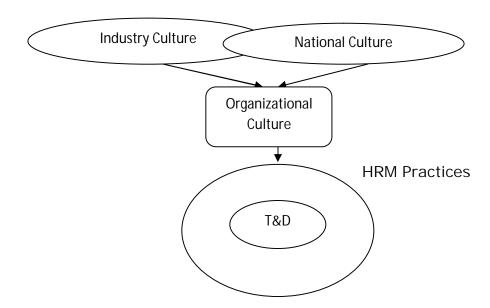
Aycan's second study 'Impact of Culture on Human Resource Management Practices: A 10-Country Comparison' also based on the 'Model of Culture Fit' found ways in which managers' perceptions of socio-cultural environment are related to managers' assumptions about employees in organizations and HRM practices (Aycan et al., 2000). The second study also verified the model and the assumptions made in developing the model. The model on the whole was developed to help companies deal with a diverse workforce and to harness the power of their human resource.

Figure 2. The Model of Culture Fit (Adopted from Aycan et al., 1999)



Aycan et al (1999) pg.503

Figure 3. Cognitive Map



21

Figure 3 explains the cognitive framework which is the basis of this particular study. It is shaped out of the 'Model of Culture Fit' and shows how national culture and industry culture, together influence organizational culture which in turn influences human resource management practices (training and development).

The theory is based on the fact that every company exists in a particular industry that has it's own values due to the nature of the business done. For example businesses in the hospitality industry value customer service highly. These companies also exist in countries that have certain cultural traits. For example in America, a trustworthy person makes eye contact when communicating. National culture also has some effect on industry culture. These two broad ranges of values combine to form an organization's culture. This culture influences the management of the employees in the company and the practices of the organization. It influences the decision making and strategy of the company. In this model, the effect of organizational culture on training and development practices is highlighted.

#### CHAPTER THREE

#### **METHODOLOGY**

# 3.1 Research Proposition

This research focused on the role cultural values found in Ghana on the human resource training and development practices of organizations. The work was based on the 'Model of Culture Fit', a theory that states that the national culture of a country affects the human resource management practices of the companies in that country through the medium of organizational culture (Aycan, 1994). This research was deductive because data was collected and then compared to the existing theory or knowledge on the subject of culture and its effect on human resource management practices (in this case, the 'Model of Culture Fit'). This chapter will outline the research design, instruments, data collection and analysis techniques employed.

Samuel Aryee in the book *Managing Human Resources in Africa* (2004) lays out his findings on Ghanaian cultural values and its effect on human resource management. He gives examples of how the collectivist nature of the Ghanaian society encourages nepotism in recruitment processes amongst other practices. This research sought to find if national culture still has a major impact on human resource management or if this influence is hampered by education, age or some other factor of the participants in the research.

# 3.2 Research Sample and Data Source

ProCredit Ghana Ltd was chosen as the case study for this study because:

- § ProCredit was recognized as a company with a very strong organizational culture based on prior interaction with employees of the company and information available on the company website. This was necessary for the study because it was useful to have a company with a defined organizational culture so that it could be studied to find possible relationships.
- § The company has a strong commitment to training and development (which was the basis of this research) as stated on the company website and by the heads of the training centre.

ProCredit was also willing to be part of the study. ProCredit has a culture of institutionalized learning and is regarded as a very young, progressive company with 85% of its employees being below the age of thirty (30). According to the Procredit website (www.procredit.com.gh), there is a lot of investment in training in all its branches with intensive training taking place at the regional training centers and the main training headquarters in Germany. Most of their management team is trained outside the country in ProCredit training centers around the world.

The sample units used in the study were employees and managers of the training centre of the company. Facilitators of training programmes were also part of the study.

# 3.3 Research Design

This study made use of mixed methods meaning that quantitative and qualitative data was collected. Information was obtained through surveys and interviews with the employees and managers. Information was obtained from the employees using questionnaires in a survey because it was a cost effective method, considering the level of funds available for the project. The area of research, cultural values, is also a very sensitive topic, and respondents would be more comfortable participating anonymously by answering questionnaires. The sampling frame is also made up of literate individuals, meaning it would be effective to administer questionnaires. Information from training facilitators obtained and managers was using interviews and questionnaires for the same reasons above. The interviews were useful tools for discussing training and development practices in the company. Interviews were chosen as the appropriate tool for obtaining information on training practices because they allowed for a more in-depth analysis and a chance to ask follow up questions and even though they were time consuming, the small number of managers present made it feasible.

# 3.3.1 Sampling Procedure

Initially, the study was going to make use of cluster sampling to ensure that an equal number of employees from the two main divisions of

the bank (credit and retail) were represented. The study was also going to be based on one branch to enable more in-depth analysis of their practices. However, there was only an opportunity to engage employees who were on a training programme at the company's training centre. These employees had been chosen by the company to attend this session and the participants who took part in the study chose to do so. The study therefore relied on availability sampling. Even though this method is not regarded as being the most rigorous of methods, it is useful in such qualitative research and the most important issue in this study was the ability to generalize to a theory and not to the population. The response rate out of the total group was also high (about 76%).

The participants for the study were nineteen employees (from different branches of the company in Accra) and three training facilitators who were on a Mathematics and Risk training program at the ProCredit training centre in Accra. The participants were from five different departments of the business. The training facilitators were all employees of the company who were selected from the training pool of the company. The two heads of the training centre were also included in the research.

#### 3.3.2 Operationalization

The main concepts discussed as part of this research are:

#### National Culture

Defined as: "common patterns of beliefs, assumptions, norms and values of human groups represented by societies, organizations and institutions" (Aycan et al, 2000, pg.3)

# • Organizational Culture

Defined as: "Pattern of shared managerial beliefs and assumptions" (Schein, 1992)

# • Human Resource Management Practices

Defined as: "decisions and actions taken which concern the management of employees at all levels of the business which leads to the development of a work culture" (K' Obonyo & Dimba, 2007, pg.3).

# • Training and Development

Defined as: "activities that improve performance on the present job (training), prepare individuals for future including identifiable jobs within the organization (education), and helping individuals grow to meet future organizational growth (development)" (Nadler, 1970)

# 3.3.3 Validity and Consistency

The variables measured for this study included variables that characterize dimensions of national culture and some dimensions of organizational culture, namely malleability, proactivity and responsibility. A number of steps have been taken to ensure validity and consistency in the collection of data. First of all, the concepts of organizational culture and national culture are measured using multiple measures (questions) increasing the internal validity, construct validity and consistency of the research. Construct validity is also improved by having questions that measure different related variables (dimensions) to test their correlation. For example, the organizational culture dimension of obligation towards related national culture others is to the dimension of individualism/collectivism. Obtaining data for these two variables will enable comparison of the two and for reasonable inferences to be drawn.

Internal validity was attended to by discussing the rival theories of Hofstede in relation to the theory of the 'Model of Culture Fit' and external validity was satisfied by being able to generalize the findings of the study to the guiding theory.

#### 3.3.4 Instruments

#### Questionnaires

The questionnaire was in three parts.

- The first section and last sections had questions to obtain demographic data of the participants.
- The second section had Likert scale questions on the cultural values that the participants believe they or the individuals in their societies possess. The values were based on the five cultural dimensions being used for the study and participants were asked to disagree or agree with the statements. The internal work culture dimensions malleability, proactivity and responsibility were also tested. These three dimensions were chosen because they relate to training and development.
- The third section asked questions on training and development policies and the perceived effect of culture on the organization.

#### 3.4 Data Collection Procedure

Surveys were administered to the managers and employees individually at the training centre between 7.30am and 8.30 am on the 23<sup>rd</sup> and 24<sup>th</sup> of March 2009. This was done before that start of the training programme for the respective days. Interviews were also conducted in the offices of the training centre.

# 3.5 Data Analysis

The responses from the closed ended questions on the questionnaires were coded into quantitative information and analyzed to find distribution, frequencies and any correlations using the SPSS program and Microsoft Excel to establish relationships for further analysis. The qualitative data was analyzed using content analysis and specifically, thematic analysis, where the recurrent themes in the questionnaires and interviews were identified and highlighted. Possible correlations between these themes and the quantitative data were drawn. The processed data and preliminary findings are presented in the next chapter.

#### CHAPTER FOUR

#### PRESENTATION OF DATA

The data for the study was obtained from a sample of 19 employees, three training facilitators and two training centre managers. The employees and training facilitators answered questionnaires while the training centre managers were interviewed together.

The data obtained was to aid in finding answers to the research question and address the objectives of the study which were to:

- § Investigate the relationship between the organizational cultural values and the T&D practices and policies of the organization
- § Identify the national and organizational cultural values in the organization under study
- § Find a correlation between the organizational cultural value dimensions and the national cultural value dimensions

# 4.1 Demographic Data for the Participants of the Survey

Majority of the participants (almost 74%) were from the Credit department of the firm. Almost all the participants had been working with the company for less than five years and were below the age of thirty five suggesting a very youthful sample. All the participants had had some form of tertiary education and some were also pursuing higher degrees. The detailed demographic data for the participants of the survey is presented in Table 2.

Table 2. Demographic Data for Participants

Attribute	Category	Number	Percentage
	Credit	14	73.68
	Retail	2	10.53
	Finance	1	5.26
	I.T.	1	5.26
Department	Internal Services	1	5.26
	less than a year	4	21.05
	one to three years	9	47.37
	four to five years	5	26.32
Duration of Employment	more than five year	1	5.26
	Male	15	78.95
Gender	Female	4	21.05
	HND	5	26.32
	Bachelor's Degree	13	68.42
Highest Level of	Masters' degree	1	5.26
Education	Doctorate Degree		
	Below Twenty (20)		
	Twenty one to twenty five	2	10.53
	Twenty six to thirty	11	57.89
	Thirty-one to thirty five	5	26.32
Age	Above thirty five	1	5.26
/ igc	ADDVC till ty live	<u> </u>	5.20

## 4.2 Findings

Objective One: Identify the national and organizational cultural values in the organization under study.

The first objective for the study was to identify the national cultural values and the organizational cultural values in the company. These values were established based on responses that were given by participants to statements about values. If an average of more than fifty

percent (50%) of participants agreed or strongly agreed to possessing a value, that value would be said to be dominant in the group or vice versa. Thirty one percent (31%) of the participants admitted to tolerating power distance by their responses and sixty seven percent (67%) agreed to having long term orientation values. Seventy six percent (76%) of the participants declared they had 'masculine' values while a very significant eighty seven percent (87%) agreed they are collectivist in nature. Eighty four percent (84%) of the participants also shared that they prefer to avoid uncertainty in their lives.

In the second section measuring organizational cultural values, all three values malleability, proactivity and responsibility were found to exist in the organization. Eighty percent (80%) of the participants agreed that people were malleable and ninety five percent (95%) stated that proactivity was important in their work roles. Seventy nine percent (79%) agreed that they preferred to have a lot of responsibility while working.

## Objective Two

The second objective of the study was to find a correlation between the organizational cultural value dimensions and the national cultural value dimensions. Cross tabulation and Chi square values showed a relationship between the following variables. The values obtained can be found in Appendix E.

## Summary of findings

Objective Two	Masculinity is correlated with proactivity	
	Power distance is related to responsibility	
	Short Term/Long term orientation is related to	
	responsibility	
	Individualism is not related to obligation	
	Uncertainty Avoidance is not related to Proactivity	

The third objective of the study was to investigate the relationship between the organizational cultural values and the T&D practices and policies of the organization. The training and development practices that were established based on the interviews and surveys are:-

- § Orientation program and 'buddy system' for new recruits, which is related to the principle that people can be socialized or changed through training (malleability).
- § The use of internal training facilitators chosen from the training pool of the company which is related to employees being proactive and taking responsibility in the work place.
- § Small class sizes (maximum twenty participants) which encouraged interaction with the facilitator.
- § Creation of training programs based on a needs analysis which is related to the overall strategy of the company in having an institutionalized training program.
- § The availability of training programs for all levels of employees.
- § A strong management trainee program that ensures there is trained staff ready to take over management positions which is directly related to proactivity and responsibility.
- § The encouragement of all staff to continuously develop themselves through training internally and externally.

§ A hands-on training approach with training programs being ninety five percent (95%) discussions, group presentations and on-the-job training and 5% lectures.

## Other Relevant Findings

Apart from the organizational cultural values that the study was based on, there were four other values and practices discovered during the interview with the managers of the training centre and interaction with the employees. The other cultural values are:

- § Transparency
- § Open-Door Policy
- § Open lines of communication
- § The use of first names in addressing all levels of employees

Another interesting finding was that most women were reluctant to answer the questionnaires, but the males were eager and willing to be part of the study and offer more information. A detailed discussion of all these findings in relation to the research question and the existing literature is done in the next chapter.

#### CHAPTER FIVE

## DISCUSSION, RECOMMENDATIONS AND CONCLUSION

## 5.1 Introduction

The research question for this study was: "What is the role of culture in the training and development practices of an organization?" Culture in this case referred to both the national culture and the organizational culture. The role of three main organizational cultural values that were focused on in this study, proactivity, malleability and responsibility; and their related national cultural values are discussed in this chapter to answer the research question.

Case studies afford research and the ability to generalize to a theoretical proposition by collecting data that will hopefully reinforce a theory (Yin, 2003). This study was based on the 'Model of Culture Fit' and in this chapter of the dissertation, the findings of the study will also be discussed based on the theoretical framework on which the study was based and the literature detailed in the literature review section of the work.

## 5.2 Discussion

The theoretical framework that guided this study was the 'Model of Culture Fit' and this study has been able to obtain data that will allow it to

generalize to this theory. The theory posits that human resource management practices are based on the organizational culture which is a function of the national culture and industry culture. First of all, the study was able to establish the national cultural values and the organizational cultural values and with the help of cross-tabulations, Chi-Square and Cramer's V tests was able to establish relationships between some of the organizational cultural values and national culture. The discussion will focus on the organizational cultural values since they are the basis of the training and development practices as the theory suggests.

## 5.2.1 Proactivity

Proactivity measures how reactive employees are to situations or whether they like to take initiative in their roles at work. Aycan et al. (1999) stated in his research that this organizational cultural value dimension was found to be related to Masculinity. This is probably because Masculinity connotes aggressiveness and competition which will drive initiative. In countries that are deemed to have a high score in Masculinity, the women portray these 'masculine' values. even Accordingly, the responses of women in this study did not show any significant relation. However, the reluctance of women to be part of the study could be an indication of underlying 'feminine' traits. Eighty four percent (84%) of participants in the survey admitted they would not temper justice with mercy and a further sixty eight percent (68%)

described themselves as competitive and aggressive. Individuals who are assertive and competitive (masculine) are likely to plan ahead and aggressively pursue goals. A cross tabulation of responses to questions for Femininity/Masculinity and the statement 'I already know where I'll be in my career in the next five years' showed a significant relationship. On face value most of those participants who described themselves as aggressive had long term career plans and vice versa.

Femininity/Masculinity: I am usually aggressive and competitive \* I already know where I will be in my career in the next five years Cross tabulation

Count					
		I already know where I will be in my career in the next five years			
		Strongly Agree	Agree	Disagree	Total
Femininity/Masculinity: I	Strongly Agree	21%	0	5%	26%
am usually aggressive and competitive	Agree	21%	16%	5%	42%
and compositive	Disagree	0	11%	16%	27%
	Strongly Disagree	0	5%	0	5%
Total		42%	32%	26%	100%

The asymptotic significance of the Chi square test (shown in Appendix E) is less than 0.10 (0.099) meaning there is a relationship between these two variables. The Chi-square values however do not give insight into the strength of the relationship. The Phi and Cramer's V values indicate a moderately strong relationship between the two variables. The closer these variables are to the number one, the stronger the relationship. The results show that the Phi square and Cramer's V values are 0.750 and 0.530 respectively. The significance values of all the

values are 0.099 also showing a strong relationship. This validates the assertion by Aycan et al. (1999) that organizational cultural values are partially based on the national cultural dimensions.

Proactivity was also found to be positively correlated with the national culture value dimension of uncertainty avoidance. Individuals who are high on Uncertainty Avoidance like to search for the 'Truth' or the best option and this drives them to be creative and innovative. A cross tabulation of these two variables, Uncertainty Avoidance and Proactivity showed a relationship between them.

Uncertainty Avoidance: I prefer to know the details of concepts when I am learning instead of generalizing \* Proactivity: I am allowed to be innovative and creative when accomplishing tasks

Crosstabulation

Count				
		Proactivity: I am allowed to be innovative and creative when accomplishing tasks		
		Strongly Agree	Agree	Total
Uncertainty Avoidance: I	Strongly Agree	26%	21%	47%
prefer to know the details of concepts when I am	Agree	5%	33%	38%
learning instead of	Disagree	5%	0	5%
generalizing	Strongly Disagree	0	5%	5%
	N/A	0	5%	5%
Total		36%	64%	100%

Role in Training and Development Practices

Proactivity has played a role in the development of the training and development practices of ProCredit. ProCredit uses training facilitators from within the company and these in-house trainers are people who

showed exceptional skills, were proactive in their roles prompting the management to start the training pool and subsequently, special training programs ('train the trainer') for the facilitators.

Training programs are structured to ensure that employees speak up and take active participation. Class sizes are small, averaging twenty participants and there is a hands-on training approach with training programs being ninety five percent (95%) discussions, group presentations and on-the-job training and 5% lectures. Observation during a training program showed that all participants were being encouraged to contribute to the sessions and they were not afraid to attempt questions or make mistakes. All these practices require proactivity on the part of the employees.

Employees of ProCredit are all high achievers and are constantly seeking to develop themselves. All the participants who indicated that their highest level of education was an HND were pursuing Bachelors' Degree programs or professional courses such as the ACCA certification. This proactive nature of employees encouraged management to start an intensive six month management trainee program last year. There was a realization that there are many young people in the company who are capable of stepping into the shoes of the current management and there was the need to train them to be able to use them. This is also related to

the long term planning traits in the employees and management of the firm.

## 5.2.2 Responsibility

This organizational cultural value measures how employees are willing to take on responsibility or seek responsibility in their work roles. High power distance in an organization is portrayed in how bureaucratic the company is and how much autonomy the employees are given. If employees are given autonomy, they are given more responsibility i.e. more opportunities to take decisions. Seventy nine percent (79%) of the participants for the study agreed that they do not like to be supervised when working indicating that they like to take responsibility for the work that they do. The responses showing how tolerant the employees are of power distance was cross tabulated with responses to the statement 'Close supervision from management is not a prerequisite for excellent work' and it showed a significant relationship between these two variables. The Chi square value was below 0.05 and the Phi square value was 1 showing a perfect relationship between these two variables. The rest of the results are shown in Appendix E.

#### **Chi-Square Tests**

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	21.714 <sup>a</sup>	9	.010
Likelihood Ratio	25.008	9	.003
N of Valid Cases	19		

a. 16 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

Ghanaians tend to follow traditions and fulfill social obligations which are characteristics of a group of people with long term orientation. Seventy three percent (73%) of participants agreed or strongly agreed to the statement that 'It is my obligation to help my family members financially'. Interestingly, there was a strong correlation between the results for the variable of long term orientation (which were low) and the variable representing obligation to family, even though they are opposing variables. The asymptotic significance value was 0.085 indicating a correlation between the two variables. The Phi value was 0.765 with a significance of 0.085 which ran through for two other variables, Cramer's V and the contingency coefficient. This shows that the participants may not be of long term orientation but still hold their social traditions. The full set of results can be found in Appendix D.

## Role in Training and Development Practices

These national cultural values and organizational cultural values also play a role in the training and development practices of the company.

The low power distance in the company has fostered a culture of an open

door policy. The head of the training centre put it this way "Here, when you have a problem you can walk straight to your manager, even the M.D... unlike in other places where you tell your supervisor, who tells his manager who then goes on to tell the MD." At ProCredit, everyone is addressed by their first names, from the manager to the cleaner. This encourages everyone to have respect for every single person without basing it on status or position but seeing everyone as a significant contributor to the work at ProCredit. In a chat with an employee he intimated that it was difficult for him to adapt to this culture when he joined the company because it did not resonate with the cultural values he grew up with. He was taught to respect elders and address them by their appropriate titles. He however realized that the title did not matter in the work place and that it made him feel as important as anyone else and actually it made him strive to do better since now he wasn't "just a subordinate." This is a clear case of cognitive dissonance where the individual tries to reduce dissonance in his values of beliefs by changing his attitude, beliefs or behavior by justifying them. There is clearly a conflict between the as it were 'innate' national cultural values and the organizations values.

These cultural traits have played a role in the training programs conducted at the training centre. The facilitators are modest and did not pretend to know everything. In one training session, the facilitator

identified people she called experts on a particular topic and encouraged them to 'teach' the rest of the class. She also reminded them that she was also learning while teaching them and that she was 'just a facilitator'. Another employee, in an attempt to show me the extent to which titles were undesired addressed a facilitator as 'Madam' to which the facilitator promptly but jovially responded 'Ei, that's not my title o, call me Akua\*4'. This elicited laughter from the other participants.

These organizational cultural traits build a very cordial atmosphere which makes it easy to learn. All the participants were able to collaborate with each other during the group work sessions, seek clarification on issues and have lively debates on topics without hurting anyone's feelings. Everyone was also striving to grasp the content and take responsibility for their work and achieve the objective of the training.

## 5.2.3 Malleability

Malleability refers to the willingness of employees of a company to change or the ability to change the nature of employees. ProCredit is a company that heavily invests in training and development and every single participant agreed that they had been given opportunities to develop themselves and knew other people in the company who had been given the same opportunity. The effectiveness of the training or the

<sup>&</sup>lt;sup>4</sup> Name has been changed to protect the identity of the individual.

ability of the programs to change employees was evident in interviews with the training managers and interactions with the employees. The company had been able inculcate the values of the company into the employees and continued with the training due to its effectiveness.

The value of malleability is also a major factor in structuring or developing new training programs. When there is a problem in a department or with a person in a department, the first step taken is to investigate the problem well and solve the problem with training. In an interview with the training manager he shared "we usually have structured programs but sometimes there might be a problem with a department or an individual. We will first investigate, the problem might not be with competence, it could actually be a communication problem; then we develop training programme to solve the problem." There is the belief that people can be changed through training and this shapes the training and development practices.

## 5.3 The Role of Industry Culture

ProCredit is a micro-finance institution and their primary business is lending to clients with small to medium scale enterprises. The nature of the business and the high risk associated with lending to small businesses plays a role in the behavior of the individuals in the organization. Majority of the participants in the study were from the Credit department and this

could account for the results obtained. The values and ethics of the accountancy profession, which is the basic training for most credit officers encourages conservatism and diligence in the performance of duties. This perhaps influences the national cultural value of uncertainty avoidance. A cross tabulation and Chi-square value of uncertainty avoidance and department of participant shows a significant relationship confirming this assertion.

The other values of the company as stated by the company website are:

- § Social responsibility and tolerance
- § High professional standards
- § A high degree of personal commitment
- § Service Orientation

All these values are directly related to the industry and detail how their employees should behave in the organization. Based on the cognitive dissonance found in the participants, it would be safe to assume that the employees behave differently in the organization due to the organizational culture or environment but still maintain their 'national cultural values'. This phenomenon can be attributed to the Social Cognitive Theory which posits that the behavior of people is dependent on their environment. Most of the assumptions made in this study were based on behavior and culture is wider than just behavior.

## 5.4 The Organization

The role of management in the management of the organization is made clear in this study. As Hambrick & Mason (1984) asserted, the cognitive abilities and values of the management create the strategies and solutions in the company. The management also shapes the organizational structure which Edgar Schein classifies into these variables artifacts<sup>5</sup>, values<sup>6</sup> and assumptions<sup>7</sup> (Schein, 1992). ProCredit has a well equipped training centre and dedicated staff and management for this centre and training and development is 'at the heart of what they do'. The mission of the ProCredit Training Centre is "To be a strategic service" provider of tailored events and programmes to meet the training and development needs of the employees within ProCredit". The third paragraph of the organization's mission also states "our shareholders" expect a sustainable return on investment, but are not primarily interested in short-term profit maximization. We invest extensively in the training of our staff in order to create an enjoyable and efficient working atmosphere, and to provide the friendliest and most competent service possible for our customers." The data and analysis thus far shows how the organization has used its artifacts, values and assumptions to make training and development effective.

<sup>&</sup>lt;sup>5</sup> The visual organizational structures and assets

<sup>&</sup>lt;sup>6</sup> Organizational goals, strategies and mission e.g. slogans and mantras

<sup>&</sup>lt;sup>7</sup> Unconscious thoughts and perceptions that ultimately are the source of values and actions

ProCredit is a company that believes that people can be trained to be the best they can be. Even though the company exists in different countries, the managers of the company are able to instill the strong organizational values in the employees because they believe it is possible to do so and encourage their employees to follow the ProCredit way of doing things. The managers are all trained with the same information and usually at the same training centers ensuring oneness of mind and strategy.

According to the literature review (Jackson, Schuler and Werner, 2009) managers need to understand the culture of their employees but at ProCredit that has not been a major issue. The head of the training centre shared 'I personally haven't had any experience of that (culture affecting management) but I believe that when you are dealing with people so many factors come into play but I haven't seen culture affecting training and development in any way.'

Even though the present training manager admitted he had never had any problem with culture, it is obvious that this is because ProCredit has been taking care of the possibility through training. A female Ghanaian employee, who attended a training program at the ProCredit Furth Academy in Germany, is quoted from the 'ProJournal', ProCredit's internal magazine as saying 'What I find particularly interesting is the cultural exchange which affords one the opportunity to learn the

dynamism of other cultures'. Training and development is an avenue for the assimilation of the values of the company.

The theoretical framework and cognitive map that guided the research was that HRM of ProCredit would be based on the national culture, industry culture and the organizational culture. The national cultural values and the organizational cultural values were established through the survey and a deeper definition of the organizational culture at ProCredit was established through the interview with the managers of the training centre. The data obtained showed that a mix of national cultural values and organizational cultural values that were 'imported' from the parent company, exist in the company. Further, some values that Hofstede's research stated were present in West Africa (Ghana) were found not to exist in the company. For example, the participants in the study were not tolerant to power distance; however Ghana had a score of 73 in the original research.

The opposing theory of Hofstede, which stated that HRM is solely dependent on national culture has been shown to be not entirely true as the participants in the study showed that they had certain values that his (Hofstede's) research claimed was not characteristic of the individuals in Ghana. However this study cannot be generalized to the country or the whole organization but to the theory guiding the research since it is a case study.

## 5.5 Limitations

The two limitations of this study were the inability to randomly select the participants for the study and the small number of participants for the study. The deficit in quantity of data was made up for by interacting with the participants to get an in-depth understanding of the company instead of just handing out the questionnaires to them. This enabled the study to have a wider range and depth of information for analysis.

## 5.6 Significance

First of all, this study has been able to establish that the theory of the 'Model of Culture Fit' is beneficial to assessing organizations. The research has been able to establish the values that ProCredit has and more importantly has been able to establish that it is possible for a company to import organizational cultures into other countries and this will be successful if they incorporate the national cultural values. Training and development is also an important way to inculcate organizational values into employees of an organization.

The findings of this study will be useful to Ghanaian companies and institutions as it shows that people really can change and be trained to work in a specific way. For example, some companies in Ghana are bureaucratic because they believe it will help the managers command

respect but this research shows that the remedy to this and a lot of other organizational problems is having a strong organizational culture with well defined values and good training and development.

Even though this research has been done in India and Canada, it was necessary to conduct this research in Ghana because this study had not been replicated in West Africa and particularly Ghana. According to Jackson, Schuler and Werner (2009), differences among cultures can be significant even when the countries being compared are similar. In most of the literature reviewed, even in Hofstede's research, countries in West Africa or African countries were generalized and thought of as being similar. This research will add to the body of knowledge by providing a 'Ghanaian context' to the Model of Culture Fit.

## 5.7 Recommendations and Conclusion

Further research on this topic should be done with a larger number of participants and possibly more time spent in the actual offices of the company observing everyday interactions of the people in the company. This will give a better idea of the culture of the company for a more indepth analysis of the company.

Organizational culture has been realized to have a strong role in HRM and further research could be done on other areas of HR such as

compensation and recruitment to be able to further verify the theory of 'The Model of Culture Fit'.

The 'Model of Culture Fit' depends on two main variables, industry culture and national culture. Further research should strongly incorporate industry culture to be able to ascertain the impact that also has on human resource management. To make such a study even more interesting, it could be done across different organizations in the same industry or across industries.

This study has been able to successfully test the 'Model of Culture Fit' in ProCredit Ltd., Ghana and has been able to establish the importance of organizational culture in establishing the training and development practices of a company. Organizational culture and national culture do affect training and development and companies that want to be successful should pay attention to them.

The study has been able to show the importance of developing an organizational culture that promotes good human resource management practices. Managers should be careful in developing strategies and values of their organizations and always think of the impact of these decisions on the internal and external environment of the company. They should also be sure that the values are not just seen on paper but reflect in the day to day business of the firm to inculcate these values into their employees.

## Bibliography

- Aycan Z., Kanungo R. & Sinha J. (1999). Organizational Culture and Human Resource Management Practices: The Model of Culture Fit. *Journal of Cross-Cultural Psychology*, 30 (4), 501-526.
- Aycan Z. et al (2000). Impact of Culture on Human Resource Management Practices: A 10-Country Comparison. *Applied Psychology: An International Review*, 2000, 49 (1), 192-221.
- Gerhart B. & Fang M. (2005). National Culture and Human Resource Management: Assumptions and Evidence. *International Journal of Human Resource Management*, 16 (6), 971-986.
- Chew I. & Sharma B. (2005). The Effects of Culture and HRM Practices on Firm Performance: Empirical Evidence from Singapore.

  International Journal of Manpower, 26 (6), 560-581.
- Culture and Effectiveness Source: *Organization Science*, 6 (2) 204-223 Published by: INFORMS
- Debrah Y. & Budhwar P. (2001) *Human resource management in Africa*. Routeledge, London.
- Devine P. (1989). Stereotypes and Prejudice: Their Automatic and Controlled Components. *Journal of Personality and Social Psychology*, 56(1), 5-18.
- Denison D. & Mishra A. (1995) Toward a Theory of Organizational Culture and Effectiveness. *Organization Science*, 6 (2), 204-223
- Greenberg J. (1996). *Managing behavior in organizations*. Prentice Hall, New Jersey.
- Hambrick, D.& Mason P. (1984). Upper Echelons: The Organization as a Reflection of its Top Managers. *Academy Of Management Review*, 9 (2) 193-206.
- Jackson S. & Schuler R. (1987). Linking Competitive Strategy with Human Resource Management Practices. *The Academy of Management Executive*, 1 (3), 207-219.
- Jackson S., Schuler R. & Werner S.(2009) *Managing human resources*. South-Western Cengage Learning, Mason, USA.

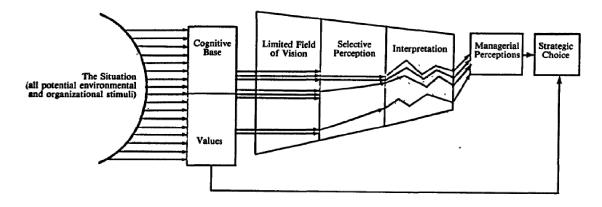
- Jung T et al. (2009) Instruments for Exploring Organizational Culture: A Review of the Literature. *Public Administration Review*, 4: 1087-1098.
- K' Obonyo & Dimba (2007). Influence of Culture on Strategic Human Resource Management (SHRM) Practices in Multinational Companies (MNC) in Kenya: A Critical Literature Review. Retrieved from <a href="http://www.strathmore.edu/research/strategic-human-resource-mgt.pdf">http://www.strathmore.edu/research/strategic-human-resource-mgt.pdf</a>
- McSweeney B. (2002). Hofstede's Model of National Cultural Differences and Their Consequences: A Triumph of Faith A Failure of Analysis. *International Journal of Manpower*, 55(1), 89–118.
- Porter M. (1980). Competitive strategy. New York: Free Press.
- Schein E. (1992). The Levels of Culture. Retrieved from:

  <a href="http://www.valuebasedmanagement.net/methods\_schein\_three\_levels\_culture.html">http://www.valuebasedmanagement.net/methods\_schein\_three\_levels\_culture.html</a> accessed 7/11/09
- Schein E. (1996). Culture: The Missing Concept in Organization Studies. Administrative Science Quarterly, 41 (2), 229-240.
- Schein E. et al. (1993) The Next Frontier: Edgar Schein on Organizational Therapy [and Commentary]. *The Academy of Management Executive*, 14 (1), 31-48.
- Sivakumar & Nkata (2001) The Stampede towards Hofstede's Framework. Journal Of International Business Studies, 32 (3), 555–574
- Sloane P. (1998). Assumptions Can Be Major Barriers. *Innovative Leader* 7 (12)
- Stavrou-Costea E. (2002). The role of human resource management in today's organizations: the case of Cyprus in comparison with the European Union *Journal of European Industrial Training* 26(6), 261-268
- Tetlock P. (1985). Accountability: A Social Check on the Fundamental Attribution Error [Abstract]. *Social Psychology Quarterly*, 48 (3), 227-236

## Appendix A

Figure 4. Model Representing the Thought Process of Managers

## Strategic Choice Under Conditions of Bounded Rationality



(Pg. 3, Hambrick & Mason, 1984)

## Appendix B: Sample Questionnaire for Training Facilitators



Ashesi University College Questionnaire No	ASHESI			
his questionnaire is to help in obtaining information for a Study on Human Resource Training and evelopment. Your identity is protected and you are only identified by the number on this questionnaire our responses will not affect your position in any way. Thank you for your participation.				
Please fill in the questionnaire by crossing t	the box in front of your most appropriate option like this			
1. Which division/department of the busine	ess do you work in?			
2. How long have you worked at ProCredit?				
Less than a year	☐ One to three years (1- 3 years)			
Four to five years (4 – 5 years)	☐More than five years (> 5 years)			
In this section, please describe yourself an 3. Human interaction is an essential aspect	d your observations about some general issues of my everyday life			
Strongly Agree	☐ Agree			
Disagree	Strongly disagree			
4. I generally focus on compassion or merc	y instead of justice			
Strongly Agree	Agree			
Disagree	☐ Strongly disagree			
5. Interpersonal relationships have reduced	I my effectiveness at work in the past			
Strongly Agree	☐ Agree			
Disagree	☐ Strongly disagree			
6. You cannot change people's habits				
☐ Strongly Agree	☐ Agree			
Disagree	☐ Strongly disagree			
7. I already know where I will be in my care	er in the next five years			
Strongly Agree	Agree			

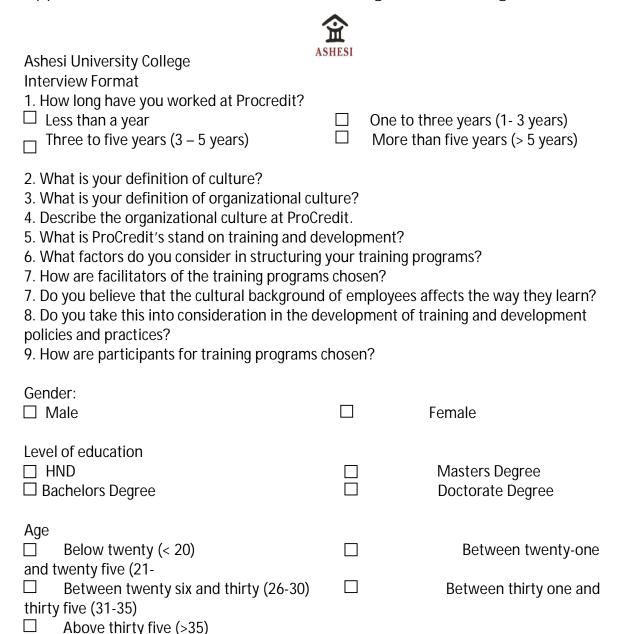
Disagree	Strongly disagree
8. I am usually aggressive and competitive	
☐ Strongly Agree	☐ Agree
Disagree	Strongly disagree
9. It is my obligation to help my family members financial	ly
Strongly Agree	☐ Agree
☐ Disagree	☐ Strongly disagree
10. I am defined and identified by my family name	
Strongly Agree	☐ Agree
☐ Disagree	☐ Strongly disagree
11. I prefer to know details of concepts when I am learning	g instead of generalizing
Strongly Agree	Agree
Disagree	Strongly disagree
12. I am given the opportunity to develop myself through	training and career development at work
☐ Strongly Agree	☐ Agree
Disagree	Strongly disagree
13. Most people I know in this company have had some for	orm of career development while at ProCredit
Strongly Agree	Agree
Disagree	☐ Strongly disagree
14. I try to take initiative in my job because it is a highly re	garded trait at my workplace
Strongly Agree	Agree
Disagree	Strongly disagree
15. I prefer to be supervised when I am working	
Strongly Agree	Agree
Disagree	Strongly disagree
16. Lusually plan my activities well ahead of time	

Strongly Agree			Agree
Disagree			Strongly disagree
17. I am allowed to be innovative and	creative in accomp	olishin	g tasks
Strongly Agree			Agree
☐ Disagree			Strongly disagree
18. Close supervision from managem	ent is not a prerequ	uisite f	or excellent work
Strongly Agree			Agree
Disagree			Strongly disagree
19. On a scale of one to four (1 to following factors in their importance to		-	least and four being the highest, rate the gressions
Level of education of participants		The wo	orking experience of participants
Average age of participants		The wo	ork roles of the participants
Cultural background of participants		Your p	past experience with participants
20. The leaders in my society have all	the power and take	e most	of the decisions for us on their own
Strongly Agree			Agree
Disagree			Strongly disagree
21. What is your definition of culture?	?		
22. Do you think culture affects the w	ay people learn?		
☐ Yes			No
Gender			
☐ Male		$\sqcup$	Female

Plea	se indicate your highest level of education	
	HND	☐ Master's Degree
	Bachelor's Degree	☐ Doctorate Degree
Oth	er:	
Plea	se Indicate your age	
	Below twenty (< 20)	☐ Between twenty-one and twenty five (21-25)
	Between twenty six and thirty (26-30)	☐ Between thirty one and thirty five (31-35)
	Above thirty five (>35)	

Thank you for your time

## Appendix C Interview Format for Training Centre Managers



## Appendix D: Sample Questionnaire for Employees



Ashesi University College Questionnaire No

Questionnaire No				
This questionnaire is to help in obtaining information for a Study on Human Resource Training and Development. Your identity is protected and you are only identified by the number on this questionnaire. Your responses will not affect your position in any way. Thank you for your participation.				
Please fill in the questionnaire by crossing the box in from	nt of your most appropriate option like this 🛛			
1. Which division/department of the business do you wo	ork in?			
2. How long have you worked at ProCredit?				
Less than a year	☐ One to three years (1- 3 years)			
☐ Four to five years (4 – 5 years)	☐ More than five years (> 5 years)			
In this section, please describe yourself and your obser	vations about some general issues.			
3. Human interaction is an essential aspect of my everyd	ay life			
Strongly Agree	☐ Agree			
Disagree	☐ Strongly disagree			
4. I generally focus on compassion or mercy instead of ju	ustice			
Strongly Agree	☐ Agree			
Disagree	☐ Strongly disagree			
5. Interpersonal relationships have reduced my effective	ness at work in the past			
Strongly Agree	☐ Agree			
Disagree	☐ Strongly disagree			
6. You cannot change people's habits				
☐ Strongly Agree	☐ Agree			
Disagree	☐ Strongly disagree			
7. I already know where I will be in my career in the next	five years			
□ Stronaly Agree	☐ Agree			

Disagree	Strongly disagree
8. I am usually aggressive and competitive	
☐ Strongly Agree	☐ Agree
Disagree	Strongly disagree
9. It is my obligation to help my family members financial	lv
Strongly Agree	y Agree
_	☐ Strongly disagree
Disagree	Strongry disagree
10. I am defined and identified by my family name	
Strongly Agree	☐ Agree
Disagree	Strongly disagree
11. I prefer to know details of concepts when I am learning	g instead of generalizing
Strongly Agree	☐ Agree
Disagree	Strongly disagree
12. I am given the opportunity to develop myself through	training and career development at work
Strongly Agree	Agree
Disagree	Strongly disagree
13. Most people I know in this company have had some for	orm of career development while at ProCredit
Strongly Agree	☐ Agree
Disagree	☐ Strongly disagree
14. I try to take initiative in my job because it is a highly re	garded trait at my workplace
Strongly Agree	☐ Agree
Disagree	Strongly disagree
_ ,	_
15. I prefer to be supervised when I am working	
Strongly Agree	Agree
Disagree	Strongly disagree
1/ Lucually plan may activities well aboad of time	

16. I usually plan my activities well ahead of time

Strongly Agree		Agree
Disagree		Strongly disagree
17. I am allowed to be innovative and	creative in accomplishin	ng tasks
Strongly Agree		Agree
Disagree		Strongly disagree
18. Close supervision from managem	ent is not a prerequisite	for excellent work
Strongly Agree		Agree
Disagree		Strongly disagree
19. On a scale of one to four (1 to following factors (based on your percentage)		least and four being the highest, rate the e in training sessions
Level of education of participants	The w	orking experience of participants
Average age of participants	The w	ork roles of the participants
Cultural background of participants	Your	past experience with participants
20. The leaders in my society have all	the power and take mos	st of the decisions for us on their own
Strongly Agree		Agree
☐ Disagree		Strongly disagree
21. What is your definition of culture?	?	
22. Do you think culture affects the w	ay people learn?	
□Yes		No
Gender		
□ Male		Female

	e indicate your highest level of education	
	HND	Master's Degree
	Bachelor's Degree	Doctorate Degree
Othe	r:	
Age		
Age	Below twenty (< 20)	Between twenty-one and twenty five (21-
Age	Below twenty (< 20) Between twenty six and thirty (26-30)	Between twenty-one and twenty five (21-Between thirty one and thirty five (31-35)

Thank you for your time

## Appendix E Results of Cross Tabulations

Power Distance:Leaders in my society have all the power and take most of the decisions for us on their own \* Power Distance: Close Supervision from management is not a prerequisite for excellent work Crosstabulation

Count						
	Power Distance: Close Supervision from management is not a prerequisite for excellent work					
		Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Power	Strongly Agree	2	0	0	0	2
Distance:Leaders in my society have all	Agree	2	0	3	1	6
the power and take	Disagree	0	5	0	0	5
most of the decisions for us on their own	Strongly Disagree	4	2	0	0	6
Tota	al	8	7	3	1	19

## **Chi-Square Tests**

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	21.714 <sup>a</sup>	9	.010
Likelihood Ratio	25.008	9	.003
N of Valid Cases	19		

a. 16 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

#### **Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.069	.010
	Cramer's V	.617	.010
	Contingency Coefficient	.730	.010
N of Va	alid Cases	19	'

# Long Term Orientation: I already know where I will be in my career in the next five years $^{\star}$ Responsibility: It is my obligation to help my family members financially Crosstabulation

Count						
		Responsib	Responsibility: It is my obligation to help my family members financially			
		Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Long Term Orientation: I already	Strongly Agree	3	4	0	1	8
know where I will be in my career in the next	Agree	0	5	1	0	6
five years	Disagree	1	1	3	0	5
Total		4	10	4	1	19

## **Chi-Square Tests**

		,	
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.107 <sup>a</sup>	6	.085
Likelihood Ratio	13.158	6	.041
N of Valid Cases	19		

a. 12 cells (100.0%) have expected count less than 5. The minimum expected count is .26.

Symmetric Measures						
Value Approx. Sig.						
Nominal by Nominal	Phi	.765	.085			
Cramer's V		.541	.085			
Contingency Coefficient		.607	.085			
N of Va	alid Cases	19				

# Uncertainty Avoidance: I prefer to know the details of concepts when I am learning instead of generalizing \* Proactivity: I am allowed to be innovative and creative when accomplishing tasks Crosstabulation

Count				
		Proactivity: I am allowed to be innovative and creative when accomplishing tasks		
		Strongly Agree	Agree	Total
Uncertainty Avoidance: I	Strongly Agree	5	4	9
prefer to know the details of concepts when I am learning	Agree	1	6	7
instead of generalizing	Disagree	1	0	1
	Strongly Disagree	0	1	1
	N/A	0	1	1
Total		7	12	19

## **Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.766 <sup>a</sup>	4	.217
Likelihood Ratio	6.901	4	.141
N of Valid Cases	19		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .37.

#### **Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	.551	.217
	Cramer's V	.551	.217
	Contingency Coefficient	.483	.217
N of Valid	l Cases	19	

# Department \* Uncertainty Avoidance: I prefer to know the details of concepts when I am learning instead of generalizing Crosstabulation

Count							
		Uncertainty A	Incertainty Avoidance: I prefer to know the details of concepts when I am learning instead of generalizing				
		Strongly Agree	Agree	Disagree	Strongly Disagree	N/A	Total
Departmen	Credit	6	6	1	1	0	14
t	Retail	2	0	0	0	0	2
	Information Technology	0	0	0	0	1	1
	Finance	1	0	0	0	0	1
	Internal Services	0	1	0	0	0	1
Total		9	7	1	1	1	19

## **Chi-Square Tests**

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	24.170 <sup>a</sup>	16	.086
Likelihood Ratio	14.205	16	.583
N of Valid Cases	19		

a. 23 cells (92.0%) have expected count less than 5. The minimum expected count is .05.

## **Symmetric Measures**

	-	Value	Approx. Sig.
Nominal by Nominal	Phi	1.128	.086
	Cramer's V	.564	.086
	Contingency Coefficient	.748	.086
N of Valid Cases		19	