EFFECT OF CORPORATE CULTURE ON ORGANISATIONAL PERFORMANCE OF STAR-RATED HOTELS IN GHANA

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Abstract

Although studies on the relationship between corporate culture and organisational performance abound in other jurisdictions, the focus has been on the composite effect of corporate culture on performance, with little attention given to the predictive value of the corporate culture types on organisational performance. Using the four major corporate culture types (clan, hierarchy, market, and adhocracy) on both financial and non-financial performance of star-rated hotels in Ghana, the study hypothesized that each corporate culture type will exert a positive effect on both financial and non-financial performance. Out of a population of 640 star-rated hotels, 248 hotels were involved in the study, using the multi-stage sampling technique. Questionnaires were administered to managers of the selected hotels. In all, a total of 178 responses were retrieved and analyzed using descriptive statistics (such as mean and standard deviation) and partial least squares in structural equation modeling. Findings of the study indicate that market culture was the most prominent predictor of profitability, return on investment, growth in profit, and sales volume, although it recorded a weak effect size. Adhocracy and hierarchy cultures were also the most prominent in predicting trust, improving supplier relations, improving service quality delivery, and customer retention. The study recommends, for the promotion of market, hierarchy and adhocracy corporate cultures in order to improve both financial and non-financial organisational performance of star-rated hotels in Ghana.

Key words: Corporate culture; performance; star-rated hotels; financial performance; non- financial performance

INTRODUCTION

A key issue that continues to attract the attention of managers today is how to understand the success or otherwise of their organisations in order to draw lessons that will enable them to succeed at their respective organisations. To answer such a question, organisations should be able to identify the key factors that account for organisational success. Organisational success, according to Lee and Huang (2012), is the sum of accomplishments achieved by various departments of an organisation. These accomplishments are measured in terms of financial and non-financial outputs. Financial performance takes into account accounting measures of performance such as profit rate, return on assets, long-term profitability, and sales growth rate (Han & Verma, 2012). Indexes such as employee satisfaction, customer satisfaction, turnover rate, and quality of products/services are used to measure non-financial performance (Cui & Hu, 2012). As stated in Kaplan and Norton (2007), measurement of performance should balance the use of both accounting and non-accounting measures in order to provide a true reflection of the state of affairs of a firm.

A key factor identified as contributing to the success or otherwise of organisations is corporate culture (Joseph & Francis, 2015; Yaprak, Tasoluk, & Kocas, 2015). Corporate culture, according to Cameron and Freeman (1991), is defined based on the four culture types: clan, adhocracy, hierarchy, and market. Each of these culture types is characterized by a particular set of shared beliefs, style of leadership, set shares of values that act as a bond or glue for members, and strategic emphasis in pursuit of effectiveness.

The oil found in Ghana and the relative stable political environment in the country have contributed to making Ghana one of the most preferred destinations for investors in the sub-region for businesses (Dah & Khadijah, 2010). This has contributed to the rise in the number of multinational hotels in Ghana over the past six years. Hotel chains such as Kempinski, Marriott International, Mövenpick Ambasador, Accor (Novotel), and Ibis

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Styles have set up subsidiaries in Accra. There has also been a steady rise in the number of hotels in some of the regional capitals in the country. The Western, Northern, and Upper East Regions have all recorded an increase in the number of star-rated hotels. Best Western Atlantic Hotel, Zaina Lodge, and Akayet are among these hotels. These developments in the hotel sector of Ghana have resulted in intense competition. As the number of tourist arrivals in the country continue to increase, there is a resultant increase in the demand for hotel accommodation in the country. The number of arrivals in the country has seen a steady rise from 2010 to 2016. In 2010, the number of arrivals in the country was estimated at over 746,500. This number increased to over 1,322,500 in 2016, representing 77.2% increase. The 2016 figure shows an almost doubled figure, compared to that of the figure recorded in 2010 (Ghana Tourism Authority, 2017).

As competition in the hotel industry in Ghana intensifies as a result of the influx of new hotels, hotels in Ghana should be able to identify and adopt the right corporate culture that will ensure higher performance. As established in the study of Kim, Lee, and Yu (2004), a strong corporate culture which is shared by a majority of employees exerts considerable influence on the overall performance of an organisation. However, studies have largely focused on composite effects of corporate culture on performance, with emphasis on financial performance. As a result of this, Jassmy, Bhaya, and Al-Dulaimi (2016) recommended that future studies should incorporate both financial and non-financial measures in order to effectively measure organisational performance.

Further, most of the studies on the effect of corporate culture on organisational performance only concentrated on the composite effect of corporate culture. This makes it difficult for hotel managers in Ghana to determine which of the corporate culture types should be encouraged in order to enhance both financial and non-financial performance. This makes studies on the specific culture type that influences organisational culture important for the hotel sector of Ghana, as managers of star-rated hotels in Ghana can then decide on the specific corporate type to encourage in order to realize both financial and non-financial performance. Moreover, it was also recommended in the study of Verma and Han (2012) that the effect of corporate culture on organisational performance of hotels should be replicated in other jurisdictions to contribute to the general assertion on the effect that corporate culture exerts on performance. This study, therefore, sought to determine the effect of corporate culture types on organisational performance of star-rated hotels in Ghana. The outcome of the study would help managers of star-rated hotels to identify the corporate culture types that should be encouraged in the Ghanaian settings in order to enhance the attainment of both financial and non-financial performance. The paper also provides empirical evidence that provides support for hotel managers in Ghana for the adoption of a particular corporate culture and also empirical support for the linkages between corporate culture and organisational performance of star-rated hotels in Ghana.

LITERATURE REVIEW

Corporate Culture

Though the concept of corporate culture has existed for years, the concept became popular among researchers in the early 1980s. According to Hudrea (2006), the genesis of the concept of corporate culture can be linked to the early human relations view of organisations that originated in the 1940s. Cameron and Quinn (1999) further explained that studies on the concept of organisational culture focused on more measurable aspects, with emphasis on attitudes, perceptions, and/or observable organisational conditions. This has resulted in the plurality of ways by which corporate culture can be grouped. According to Lund (2003), the problem associated with measuring or identifying a typology of corporate culture is because the shared assumptions and understandings lie beneath the conscious level of individuals, which makes it difficult for a single typology to be adopted. Cameron and Freeman (1991) proposed a practical approach to grouping corporate culture by incorporating the works of several researchers (Campbell, Bommer, & Yeo, 1993; Mason & Mitroff, 1973; Mitroff & Kilmann, 1975; Quinn, 1988; Smircich, 1983; Wilkins & Ouchi, 1983).

A number of scholars such as Schwartz (1994) grouped corporate culture into two typologies, namely affective and intellectual, on one hand, and self-enhancement and self-transcendence, on the other hand. Berson, Oreg, and Dvir (2008) and McClure (2010) identified three recurring dimensions of corporate culture: bureaucratic, innovative, and supportive culture. However, Cui and Hu (2012) accentuated that organisational culture cannot be simply put into three typologies, as there is no single definition of corporate culture. Cui and Hu explained further that corporate culture should be classified in a way that reflects the various definitions of corporate culture. Similarly, Han and Verma (2012) used the same typology of corporate culture in measuring corporate culture. The current study utilizes the typology of corporate cultures as postulated in the work of Cameron and Freeman (1991).

Cameron and Freeman (1991) grouped corporate culture into four types: clan, adhocracy, hierarchy, and market. Cameron and Freeman also explained that what distinguish the four culture types are a set of shared beliefs, style of leadership, and a set of shared values that act as a bond or glue for members. These constructs have been used and validated in several studies on corporate culture. For example, the study of Lund (2003) on the effect of organisational culture on job satisfaction reported reliability range of 0.62-0.81 for the four constructs of organisational culture. Similarly, in the study on the relationship between corporate culture, strategic orientation, and financial performance (Han & Verma, 2012), the four culture types were used as constructs for the measurement of corporate culture. Owino and Francis (2015), using similar constructs, also reported a content validity of 0.66 for the four constructs used in measuring corporate culture.

Organizational Performance

Cui and Hu (2012) posit that measurement of corporate performance has always been the unique question which researchers try to answer. Wadongo, Odhuno, Kambona, and Othuon (2010) explain that organisational performance has, over the years, been measured by focusing on revenues or profits made in the accounting year or the use of key financial ratios. However, although there has been a number of studies in the hospitality industry on how to measure performance, the focus of researchers in the area has been on the use of financial measures such as profit rate, return on assets (ROA), long-term profitability, and sales growth rate (Atkinson & Brander-Brown, 2001; Barney, 1986; Brander-Brown & McDonnell, 1995; Harris & Mongiello, 2001; Hermalin & Weisbach, 1991). In the work of Orgaad, Larsen, and Marnburg (2008), they accentuated that the use of one indicator in the measurement of performance does not provide a comprehensive view of the performance of a firm. This, therefore, calls for the use of different performance measures.

Other studies have also indicated that non-financial measures of performance such as the level of employee and customer satisfaction, turnover rate, quality of products/services, and some other variables in the organisational aspects should be used in measuring performance (Cui & Hu, 2012). Besides these measures of performance, Kaplan and Norton (2007) developed the balance scorecard which blends both financial and non-financial measurement of performance and includes the use of customer importance, internal business processes, learning, and growth to provide an overall performance view of an organisation. Bagozzi, Verbeke, and Gavino (2003) also introduced another measure of performance which employs both financial and non-financial measures and called it in-role performance and extra-role performance. The in-role performance measurement is likened to the financial measures of performance and includes sales volume, communication effectiveness, and relationship building whereas the extra-role performance considers the additional effort made by an organisation to court and sustain its customer base by focusing on courtesy, helping, sportsmanship, and civic virtue. Based on the foregoing review, it is argued that the use of non-financial measurement of performance is also as important as the accounting measurement of performance (Calori & Sarnin, 1991).

Effect of Corporate Culture on Organisational Performance

The effect of corporate culture on organisational performance has received considerable attention in the literature. For example, Verma and Han (2012), in their study on upscale hotels in South Korea, reported on the influence of corporate culture on organisational performance. Findings of the study revealed that the family-like clan culture and the entrepreneurial adhocracy culture had positive impacts on growth-oriented financial performance. In contrast, the rule-bound hierarchy culture had a negative impact on growth-oriented financial performance. There was, however, no significant relationship between the task-oriented market culture and financial performance. The study concluded that none of the corporate culture dimensions showed a statistically significant relationship with profit-oriented performance.

However, although Shahzad, Luqman, Khan, and Shabbir (2012), Mushaq et al. (2013), Owoyemi and Ekwoaba (2015), and Odhiambo, Kibera, and Musyoka (2015) were able to establish that the presence of corporate culture predicted high performance levels, they were not able to establish which of the corporate culture types were responsible for the significant effect of corporate culture on organisational performance.

For example, Mushaq et al. (2013), in a study on organisational culture in the hotel industry of India, established that organisational culture either in the form of values or practices had a significant influence on the performance and long-term effectiveness of organisations. Further, Owoyemi and Ekwoaba (2014) also established that, when organisational culture is encouraged, it leads to productivity and increased performance. All these studies focused on the composite effect of corporate culture on organisational performance. Further, the focus of studies on corporate culture and organisational performance has been on hotels in the developed economies. Similarly, Odhiambo, Kibera, and Musyoka (2015) also found that corporate culture strongly influences performance outcomes of microfinance institutions in Kenya. Wahjudi, Singgih, Suwignjo, and Baihaqi (2016) also affirmed the influence of organisational culture on performance of manufacturing firms in Indonesia, indicating that organisational culture has a significant effect on firm performance.

Qin, Li, and Yu (2015) introduced a different approach to measuring organisation culture by introducing the human relations and social nexus. The study explained that, when employees exhibit happiness and caring, the overall goals of an organisation are likely to be achieved. Molose and Ezeuduji (2015), in a study on South African hotels, used shared attitudes and behaviours as a measure of organisational culture and found that knowledge sharing attitudes and behaviours impact positively on performance. Similarly, Wang (2014) also found that, when employees of tourist hotels exhibit a common trait, performance of such hotels are influenced positively.

Jogaratnam (2017) also found that innovative and supportive corporate cultures influenced performance. In a similar study by Nikpour (2017), organisational culture was found to impact positively on organisational performance. Pantiyasa and Michelle (2017) concluded in their study entitled "Organisational Culture and its Impact on Performance of Hotel Employees" that there is a correlation between organisational culture and employees' performance. Nazarian, Atkinson, and Faroudi (2017) established in their study that sought to find out how national culture and balanced organisational culture influenced the hotel industry's performance that national culture of hotel employees influences balanced organisational culture which in turn influences performances.

In all, although a number of studies have established that corporate culture is a predictor of organisational performance, different conceptualizations have been used to define corporate culture. This, therefore, affirms the assertion of Lund (2005) that it is difficult for a single typology to be used to measure corporate culture. Based on the linkages established between corporate culture and organisational performance, it is hypothesized that

H_1: *Corporate culture types have a significant effect on both financial and non-financial performance.*

RESEARCH DESIGN AND METHODOLOGY

Measurement of Variables

Corporate Culture

Corporate culture was measured based on the scale developed by Cameron and Freeman (1991). Four culture types were identified based on the framework. These are clan, adhocracy, hierarchy, and market cultures. The items in Cameron and Freeman's (1991) scale were expanded to make it easy for respondents to understand and respond to the issues and to separate those items that were multi-dimensional. In all, 36 items were used to measure the four corporate culture types clan, hierarchy, adhocracy and market cultures based on shared beliefs, leadership, bonding, and strategic emphasis.

Organisational Performance

With respect to the measurement of organisational performance, both financial and non-financial indicators were used. The financial indicators were based on subjective approaches to measuring financial performance. Justifications provided for the use of subjective measurement of performance are that owners/managers are unwilling to disclose actual figures of their performance for fear of being taxed or targeted by the government (Zulkiffli & Perera, 2011).

Twelve items were used to measure organisational performance, namely profitability, return on investment, growth in profitability, daily sales, increase in volume of sales, customer retention, supplier relations, quality of service, occupancy rate, number of customers, and productivity of employees compared to industry average. These were then grouped under financial and non-financial measures.

Sample Size and Sampling Procedure

Based on the total population of 680 managers of star-rated hotels, a sample of 248 hotel managers was chosen, using the table developed by Krejcie and Morgan (1970). The multi-stage sampling was used. First, the hotels to be included in the study were ascertained, using stratified random sampling technique and also taken into the geographic spread of the hotels. The stratification took into account the spread of the hotels based on the regional distribution. Next, the population was divided into five strata. The groups were managers and supervisors of five star-rated hotels, four star-rated hotels, three star-rated hotels, two star-rated hotels, and one star-rated hotels. The number of respondents for each stratum was proportionate to the number of hotels in the stratum. Respondents were randomly selected until the sample for each stratum was obtained. Table 1 presents the distribution of the sample by star-rating and region.

Table 1: Distribution of The Sample by Star-Rating and Region

Region	Total no. of hotels	5 star	4 star	3 star	2 star	1 star
Greater Accra	85	1	2	4	30	48
Ashanti	48	0	0	3	18	27
Eastern	29	0	1	2	9	17
Central	18	0	0	1	6	11
Western	37	0	1	3	8	25
Volta	11	0	0	1	3	7
Brong-Ahafo	8	0	0	0	3	5
Northern	7	0	0	0	3	4
Upper East	2	0	0	0	1	1
Upper West	3	0	0	0	1	2
Total sample size	248	1	4	14	82	147

Source: GTA Licensed Accommodation Units as at December, 2016

Instrument

Questionnaire was the instrument for data collection. It comprised three sections, namely corporate culture, organisational performance, and demographic characteristics of respondents. In all, 36 items were used to measure corporate culture while 12 items were used to measure both financial and non-financial organisational performance. Out of the 248 questionnaires distributed, 178 were received and used for the analysis, representing a response rate of 71.72%.

Data Analysis

Each questionnaire was checked carefully for incompleteness and inconsistencies. Processed data were analyzed with Partial Least Squares in Structural Equation Modeling (PLS-SEM).

The choice of PLS-SEM was influenced by its widely recognized remarkable advantages in behavioural studies (Hair, Ringle, & Sarstedt, 2011), as it helps researchers to understand the relationship among sets of observed variables (Hair, Hult, Ringle, & Sarstedt, 2016).

It also works efficiently with complex models and small sample sizes (Hair, Hult, Ringle, & Sarstedt, 2016; Rezaei, 2015; Rezaei & Ghodsi, 2014; Shahijan, Rezaei, Preece, & Ismail, 2014; Vinzi, Trinchera, & Amato, 2010).

The sample for the study was considered small and this, therefore, influenced the choice of PLS-SEM. Further, since the study sought to predict multiple independent variables on the dependent variable, with PLS being favoured as a predictive technique (Garson, 2016), it was deemed to be best suited for the study

RESULTS

Sample Characteristics

Table 2 shows the demographic profile of the respondents.

Out of a total of 178 respondents, 99 were males and 79 were females, representing 55.62% and 44.38% respectively. Concerning the age distribution of respondents, 31(17.42%) were aged 18-24 years, and 74 were also aged between 25 and 31, representing 41.57%. Only six were aged between 45 and 51, representing 3.37%.

Five of the respondents were also aged above 51, representing 2.81%.

Table 2: Demographic Characteristics of Respondents (N = 178)

Item	Frequency	Percentage (%)
Gender		
Male	99	55.62
Female	79	44.38
Age		
18-24	31	17.42
25-31	74	41.57
32-38	49	27.53
39-44	13	7.30
45-51	6	3.37
52 and above	5	2.81
Level of Education		
Senior high school or lower	40	22.5
Higher National Diploma (HND)	56	31.5
First Degree	61	34.3
Postgraduate Degree	21	11.8
Work experience		
1-5 years	97	54.49
6-10 years	54	30.34
11-15 years	11	6.18
16 years and above	16	8.99
Position		
Assistant manager	25	14.05
Manager	47	26.41
Senior manager	11	6.18
Supervisor	95	53.37

Source: Field survey (2018)

However, more than 50% of the respondents were aged between 18-38. This means that most of the respondents were youthful. According to Jogaratnam (2017), the hotel business, like many other services, is people-intensive and requires direct person-to-person interactions and people who are energetic to meet the different customer needs.

In terms of academic qualification, 56 of the respondents, representing 31.5%, had completed Higher National Diploma (HND), 61(34.3%) had completed first degrees and 21(11.8%) of them were having post graduate degrees. This indicates that the respondents were educated and could understand and respond to the issues of corporate culture and performance of the hotels they managed. Ninety-five of the respondents, representing 53.37%, were Supervisors, 47, representing 26.41%, were Managers, 25 of the respondents, representing 14.05%, were Assistant Managers while 11 of them, also representing 6.18%, were Senior Managers.

Corporate Culture and Financial Performance of Star-Rated Hotels in Ghana

The study sought to determine which of the four corporate culture types significantly influenced both financial and non-financial performance. First, the descriptive statistics for the variables of the study are provided in Tables 3 and 4. Further, two models were developed. The first model sought to determine which of the

Table 3: Mean and Standard Deviations Scores for The Four Culture Types

Item	Mean	Std. Deviation
Clan culture		
Kind of organisation		
My hotel promotes interpersonal relationships	4.1966	0.83062
Like an extended family	3.4270	1.22024
Has people who share a lot of themselves	3.6629	0.94413
Leadership		
The head of my hotel is considered to be a mentor	4.1854	0.89847
Sage	3.4551	1.01997
Father	3.8933	0.99425
Bonding		
Loyalty	4.1461	0.89000
Tradition	3.7416	0.98035
Commitment	4.1685	0.79881
Strategic emphasis		
Human resources	4.0281	0.89840
Cohesion	3.7753	0.94782
Morale	4.1236	2.35456
Category Mean	3.9003	
Adhocracy culture		
Kind of organisation		
A dynamic place	4.0112	0.70502
An entrepreneurial place	3.9663	0.84972
Has people who are willing to stick their necks out	3.7135	1.04256
Leadership		
Risk taker	3.9607	0.85939
Bonding		
Innovation and development	4.0449	0.93168
Emphasis on being the first	3.9775	0.90169
Strategic emphasis		
Growth	4.0562	0.85515
Acquisition of resources	3.8708	1.06306
Meeting new challenges	3.8933	0.95955
Category Mean	3.9434	
Hierarchy culture		
Kind of organisation		
A formalized and structured place	4.0000	0.82339
Has established procedures to govern what people do	3.9888	0.93874
Leadership		
An organizer	3.9213	0.91719
Bonding		
Formal rules and policies	3.9382	0.98669

Table 3 Continued

Strategic emphasis		
Permanence and stability	4.0393	1.01047
Efficiency	4.1742	0.87528
Category Mean	4.0048	
Market culture		
Kind of organisation		
Is production oriented	3.9719	0.85984
Work is done without personal involvement	3.5955	1.18578
Leadership		
A technician	3.5000	1.11106
A producer	3.9326	0.94836
A hard-driver	3.9663	1.01346
Bonding		
Tasks and goal accomplishment	4.1180	0.85873
Production	3.8258	0.93760
Strategic emphasis		
Achievement	4.3202	0.72388
Measurable goals	4.1461	0.95729
Category Mean	3.9307	

Source: Field survey (2018)

four corporate culture types is a better determinant of financial performance. Details of outcome are presented in Figure 1 and Tables 3 and 4.

The mean scores presented in Table 3 indicate that the individual hotels exhibit elements of all the four culture types, with mean scores of 3.9003, 3.9434, 4.0048 and 3.9307, representing clan, adhocracy, hierarchy, and market cultures respectively. This finding is, therefore, consistent with previous studies that have reported multiple subcultures in a firm to be the norm (Deshpande et al., 1993; van Maamen & Barley, 1984). Gregory, Harris, Armenakis, and Shook (2009) also support the view that organisational culture must have a balance of all the four cultural types if it is to be flexible in thinking and also if it is to propel the organisation into achieving higher performance outcomes. The mean scores and standard deviations scores for items used in measuring both financial and non-financial performance, as presented in Table 4, show an overall mean score of 3.5023. The mean score indicates that respondents were in general agreement with the statements which were used in measuring both financial and non-financial performance. Respondents' scores for non-financial elements were all above 3.0, signifying agreement with the statement. Similarly, the scores for financial performance were also above 3.0. The next section of the paper presents the output of the models, together with the criteria used in assessing the models developed to test the influence of corporate culture on performance of star-rated hotels in Ghana. Figure 1 presents the outer loadings of the four culture types and their effect on financial performance. The loadings range from 0.763 – 0.808, 0.796 – 0.900, 0.852 – 0.881, 0.906 – 0.952 and 0.765 – 0.890 for clan, adhocracy, market, hierarchy, and financial performance respectively. All the loadings were above 0.7. Next, reliability and validity of the instrument used were also assessed. The composite reliability scores, as presented in Table 5, were above the 0.7 threshold, as recommended by Hair, Ringle, and Sarstedt (2011). The AVE scores were also above 0.5 as shown in Table 3 indicating good reliability and validity.

Table 4 presents the discriminant validity, using Fornell Larcker (1981). The values in the matrix specify that there is discriminant validity between all the constructs based on the cross loadings. Bootstrapping procedure was run to determine the significance of the path coefficients A two-tailed t-test with a significance level of 5%, the path larger than 1.96. The findings, as presented in Table

Table 4: Mean and Standard Deviation Scores for Organisational Performance

Item	Mean	Std Deviation
Financial performance		
Profitability of the hotel increased faster compared to industry average	3.3820	0.92676
Return on investment of the hotel is significantly higher than industry average	3.1461	0.93338
Growth in profitability is significantly much higher than industry average	3.1067	0.84697
Daily sales have significantly increased above industry daily sales	3.2135	0.92023
Volume of sales have increased compared to competitors	3.3258	0.94809
Non-Financial performance		
We retain existing clients and manage to attract new ones	3.9831	0.79173
We consider our relations with suppliers to be excellent	4.0843	0.73545
There is mutual trust between our hotel and all our suppliers	4.0337	0.82269
Quality of our service is well above the industry	3.6292	0.91913
Occupancy rate have increased significantly higher than our competitors	3.2921	0.99946
The number of customers our hotel control has significantly increased above industry average	3.3596	1.01678
Productivity of our employees is much higher than industry average	3.4719	1.00945
Overall Mean	3.5023	

Source: Field survey (2018)

Table 5: Criteria for The Evaluation of Model One

Quality criteria

Constructs	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	R -Square	Adjusted R-square
Adhocracy	0.779	0.871	0.694		
Clan	0.707	0.834	0.627		
Financial Performance	0.796	0.881	0.713	0.158	0.139
Hierarchy	0.846	0.927	0.864		
Market	0.669	0.858	0.751		

Discriminant validity according to Fornnell-Lacker Criterion

Constructs	Adhocracy	Clan	Financial Performance	Hierarchy	Market
Adhocracy	0.833				
Clan	0.572	0.792			
Financial Performance	0.313	0.251	0.844		
Hierarchy	0.677	0.473	0.260	0.929	
Market	0.504	0.494	0.365	0.385	0.867

Source: Field survey, 2018

6, indicate that market culture had a T-statistics of 2.834, which is greater than 1.96, and a p-value of 0.005. This means that market culture is a significant predictor of financial performance. Clan, hierarchy, and adhocracy cultures were, however, found not to be significant coefficients A two-tailed t-test with a significance level of 5%, the path coefficient should be significant if the T-statistics is larger than 1.96. The findings, as presented in Table 6, indicate that market culture had a T-statistics of 2.834, which is greater than 1.96, and a p-value of 0.005. This means that market culture is a significant predictor of financial performance. Clan, hierarchy, and adhocracy cultures were, however, found not to be

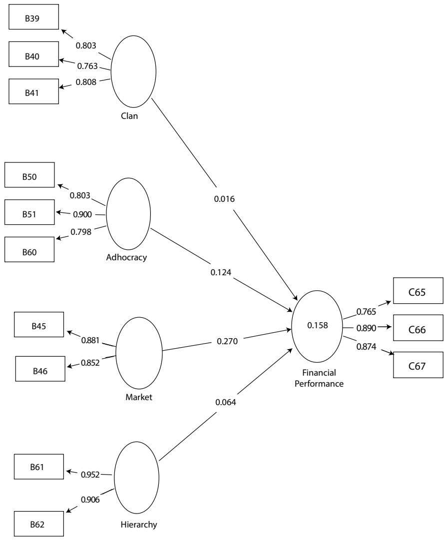

Figure 1: Effect of Corporate Culture Types on Financial Performance
Source: Field survey (2018)

Table 6: Bootstrapping Results and T-Statistics For Model One

Constructs	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Adhocracy -> Financial Performance	0.124	0.117	0.120	1.034	0.302
Clan -> Financial Performance	0.016	0.034	0.093	0.170	0.865
Hierarchy -> Financial Performance	0.064	0.055	0.093	0.692	0.489
Market -> Financial Performance	0.270	0.279	0.095	2.834	0.005

Source: Field survey (2018)

Table 7: Effect size (f2) of Structural Model One

Constructs	Financial Performance
Adhocracy	0.008
Clan	0.000
Hierarchy	0.003
Market	0.059

Source: Field survey (2018)

Table 8: Stone-Geisser Q-Test For Model One

Constructs	SSO	SSE	Q² (=1-SSE/SSO)
Adhocracy	534.000	534.000	
Clan	534.000	534.000	
Financial Performance	534.000	484.189	0.093
Hierarchy	356.000	356.000	
Market	356.000	356.000	

Source: Field survey (2018)

significant determinants of financial performance, as they all recorded T-statistics values lower than 1.96 (Table 6). These findings are confirmed by the bootstrapping,

To affirm the significance of the four culture types, as indicated in Table 7, the model's effect size (f2) was ascertained. The effect size recorded for market culture was greater than 0.01, as shown in Table 7. This means that market culture had a greater effect size than the other culture types. The use of the effect size to determine how the variations in financial performance are explained by corporate culture was informed by the argument advanced by Chin, Marcolin, and Newsted (1996) which posits that researchers should not only report whether the relationship between variables are significant or not but also the effect size between the variables.

Further, the study used the Stone-Geisser Q test to test the predictability of the model. The Q2 values for all the four endogenous variables should be above zero (0). Cohen (1998) provides a guideline for assessing Q2. From 0.02-0.14 is considered weak, 0.15-0.34 is moderate, and 0.35 and above is considered strong. Therefore, based on the loadings presented in Table 8, the Q2 is within 0.02-0.14, which means that the predictive relevance of the model is considered weak. This suggests that the clan, adhocracy, market, and hierarchy are weak predictors of financial performance of star-rated hotels.

Further, the second model was developed in order to determine which of the four corporate types can best predict non-financial performance. Details of the results are presented in Figure 2 and Tables 9, 10, and 11.

Table 9: Criteria For Evaluation Of Model Two

Quality criteria					
Constructs	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	R square	Adjusted R square
Adhocracy	0.734	0.833	0.555		
Clan	0.764	0.844	0.575		
Hierarchy	0.760	0.863	0.679		
Market	0.789	0.875	0.701		
Non-financial performance	0.649	0.847	0.735	0.426	0.413

Discriminant Validity According to Fornell-Larcker Criterion					
Constructs	Adhocracy	Clan	Hierarchy	Market	Non-financial performance
Adhocracy	0.745				
Clan	0.647	0.758			
Hierarchy	0.681	0.493	0.824		
Market	0.670	0.616	0.679	0.837	
Non-financial performance	0.576	0.408	0.617	0.478	0.857

The composite reliability score for the second structural model was above 0.7. It also recorded AVE scores above 0.5. The discriminant validity using Fornell Larcker (1981) criteria also indicated that there is discriminant validity between all the constructs based on the cross loadings, as presented in Table 9.

Based on the findings as presented in Figure 2, hierarchy culture recorded the highest path coefficient loading of 0.421, followed by adhocracy culture, with loading of 0.279. Clan culture and market culture follow respectively with loadings of 0.027 and -0.011. Based on the loadings, market culture recorded a negative loading, which means that market culture has a negative relationship with non-financial performance. The study can, therefore, indicate that hierarchy culture and adhocracy culture are better predictors of non-financial performance based on the standard scores, as shown in Figure 2.

As presented in Figure 2, bootstrapping procedure was used in order to determine the significance of the findings. The findings presented in Table 10 indicate that hierarchy and adhocracy cultures had T-statistics figures of 4.208 and 3.069 (P-values 0.000 and 0.002) respectively. The values

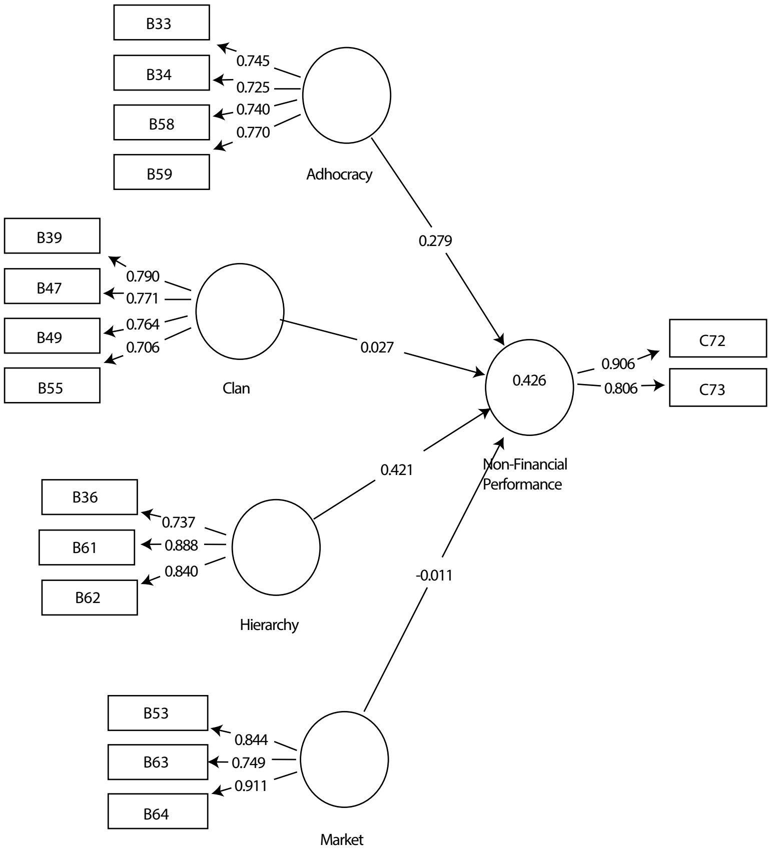

Figure 2: Model depicting the effect of corporate culture types on non-financial Performance
Source: Field survey (2018)

are greater than 1.96, meaning that, when it comes to predicting non-financial performance of star-rated hotels, hierarchy and adhocracy cultures were found to be significant predictors. However, clan and market cultures were found not to influence non-financial performance, as they recorded T-statistics less than 1.96.

Further, the model's effect size (f^2) also recorded 0.137 and 0.053 for hierarchy and adhocracy cultures respectively, which are all greater than 0.05. This means that hierarchy and adhocracy cultures recorded significant effect sizes

Table 10: Bootstrapping Results and T-Statistics For Path Coefficient (Inner Model Two)

Items	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Adhocracy -> Non-financial performance	0.279	0.281	0.091	3.069	0.002
Clan -> Non-financial performance	0.027	0.040	0.099	0.268	0.789
Hierarchy -> Non-financial performance	0.421	0.415	0.100	4.208	0.000
Market -> Non-financial performance	-0.011	-0.006	0.117	0.091	0.927

Table 11: Effect Size (f^2) of Structural Model Two

Constructs	Non-financial performance
Adhocracy	0.053
Clan	0.001
Hierarchy	0.137
Market	0.000

Source: Field survey (2018)

Table 12: Stone-Geiser Q test for Model Two

Constructs	SSO	SSE	Q^2 (=1-SSE/SSO)
Adhocracy	712.000	712.000	
Clan	712.000	712.000	
Hierarchy	534.000	534.000	
Market	534.000	534.000	
Non-Financial Performance	356.000	256.724	0.279

Source: Field survey (2018)

on non-financial performance, compared to clan and market cultures, which recorded effect sizes lower than 0.050 (see Table 11). Further, the study used the Stone-Geisser Q test to test the predictability of the model. Therefore, based on the loadings presented in Table 12, the Q2 is above 0.15. This means the predictive relevance of the model is considered moderate. This suggests that the clan, adhocracy, market, and hierarchy cultures moderately predict non-financial performance of star-rated hotels.

DISCUSSION AND CONCLUSION

Key Findings

The hypothesis that corporate culture types have a significant effect on financial performance does not hold for clan, adhocracy, and hierarchy cultures. The study found that, among the culture types, market culture was found to significantly predict financial performance of star-rated hotels. The finding, therefore, suggests that corporate culture influences performance of organisations. However, the study sought to predict the specific culture that, when encouraged by the hotels, would also lead to increased performance. In this regard, market culture was found to influence the performance of star-rated hotels. This finding, therefore, corroborates earlier findings on the effect of corporate culture on organisational performance. The study of Nikpour (2017) concluded that, when employees share common values and norms, performance is likely to increase. Similarly, Owoyemi and Ekwoaba (2014) were of the view that encouraging corporate culture leads to increased productivity and performance.

This finding, however, contradict the findings of Han and Verma (2012) that established no significant relationship between market culture and financial performance. It is worthy to note that the study of Han and Verma concentrated on upscale hotels whose clientele are the upper class in society. Such clients do not require aggressive marketing orientation to attract them to their hotels but rather require to be treated with respect and expect quality service delivery. Such hotels rather would promote corporate cultures such as the clan and hierarchy cultures. In the current study, focus was on all star-rated hotels in Ghana. However, these hotels are dominated by one to three star-rated hotels. Since many of the hotels are within this category, the quest to win customers to their facilities requires the pursuit of rigorous marketing, which encourages setting of targets for staff to accomplish and ensuring that these targets are met. This, therefore, provides explanation for the reason why market culture was found to be a significant predictor of financial performance of the star-rated hotels. The finding implies that star-rated hotels that promoted corporate cultures other than the market cultures were unlikely to realize increases in their financial performance. On the contrary, hotels that rather encouraged market-oriented corporate cultures were likely to realize increment in their financial performance.

Further, the study sought to find out which of the four corporate culture types is a predictor of non-financial performance. To this end, the study hypothesized that corporate culture types do not have a significant effect on non-financial performance. Finding of the study revealed that, of the four corporate culture types, hierarchy and adhocracy cultures were found to significantly predict non-financial performance of star-rated hotels in Ghana. Market corporate culture was, however, found to have a negative effect on non-financial performance. This finding, however, can be relied on, as the predictive value of model two affirms the findings as presented in Table 12. The findings, therefore, support the view of Jogaratnam (2017), who posited that innovative and supportive cultures were better predictors of performance. Whereas Han and Verma (2012) established adhocracy and clan cultures as better predictors of financial performance, the study rather found hierarchy and adhocracy cultures to better predict non-financial performance. This is so, as adhocracy cultures allow for staff to be innovative and creative in their dealing with clients. However, staff should also be regulated in order to work within the rules of engagement. Parameters for the extent to which staff can go to should be defined and regulated in order to serve as checks and balances on staff. Such attitudes promote customer loyalty and improves quality of service delivery, as staff are allowed to deliver tailored service to clients. Further, considering the numerous types of clients that hotel staff are to relate with, providing a supportive culture that allows staff to be creative and innovative does not only retain customers but also encourages staff to develop mutual trust with their client, which results in good reviews of the facility and recommendation of the hotel. The finding, therefore, implies that, for star-rated hotels to be viewed as providing quality service for their clients, increasing occupancy rate, using resources efficiently, and retaining and attracting new clients, the hotel should encourage staff to be innovative and creative and also provide rules that guide the efficient use of hotel resources.

Implications for Theory and Practice

On theory, the result of the study that the hotels do not exhibit a single culture is supported by the control theory. The theory indicates that people behave according to their basic needs and when such needs are aligned with organisational needs, the desired behaviour is achieved. The different culture types exhibited by the hotels, therefore, explain the varied needs of employees, hence the different corporate culture types exhibited by the star-rated hotels. Furthermore, the result of the study affirms the resource-based view theory that firms can develop a corporate culture that can be used to distinguish the hotels from others, thereby setting them apart from their competitors. The corporate culture exhibited by hotels, thus, constitute part of the intangible assets that hotels can use to develop sustainable competitive advantage which would propel the hotels to achieve a certain level of performance (Barney, 2001). The study provides empirical evidence that lends support to the assertion that firms can use their corporate culture to develop sustainable competitive advantage. The study also shows that hotels can only realize both financial and non-financial performance when they encourage a mix of market, adhocracy, and hierarchy corporate cultures.

The study further provides empirical evidence to support the view that staff of hotels should exhibit a balance of the corporate culture types in order to meet the varied needs of their clients and also achieve both financial and non-financial performance targets of their hotels. The study contributes to the corporate culture literature and provides for corporate culture types that star-rated hotels in Ghana must exhibit in order to realize both financial and non-financial performance. The study provides insights on the hotel sector of Ghana on corporate culture types that star-rated hotels should exhibit in order to achieve both financial and non-financial performance.

Findings of the study also provide some practical implications for hotel managers and professionals in the hotel sector. As new hotels continue to flood the hotel sector of Ghana, managers of star-rated hotels should adopt corporate cultures that will enable them to remain competitive and stand out among the numerous hotels. Star-rated hotels in Ghana can only realize financial performance by promoting market culture, which suggests that managers of star-rated hotels should promote goal achievement among staff. Managers should also encourage competitiveness and exhibit decisive and achievement-oriented leadership style, use goal orientation to bond the hotels, production, and competition and emphasize developing a competitive advantage, as these are likely to reflect in the growth of profit, sales volume, and return on investment.

Further, the finding that hierarchy and adhocracy corporate cultures support the achievement of non-financial performance implies that managers blend both adhocracy and hierarchy cultures. This means that managers of star-rated hotels should not only support staff to be creative and innovative, demonstrate entrepreneurial attributes such risk taking, flexibility and emphasize on acquisition of new resources and use innovation to promote growth but should also ensure that the various sections of the hotel are well coordinated, formulate rules and policies that guide the behaviour of staff and emphasize stability and smooth operations of the hotels, as these are likely to result in building mutual trust, improved supplier relations, increased occupancy rate, improved service quality delivery, and increased employee productivity.

Limitations of the Study

The results of the study cannot be generalized to cover all hospitality facilities such as the restaurants, entertainment facilities, and ungraded hotels by the Ghana Tourism Authority as well as the budget and guest houses. Since the study did not cover such facilities, the results of the study could not be generalized to include such hospitality establishments.

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