

http://www.ijssit.com

Vol III Issue III, May 2017 ISSN 2412-0294

## ORGANIZATION CULTURE AND PERFORMANCE OF REAL ESTATE COMPANIES IN KENYA

<sup>1\*</sup> **Mugure Naomi Wangui** Jomo Kenyatta University of Agriculture and Technology <u>nawiej@yahoo.com</u>

## <sup>2\*\*</sup> **Dr. Doris Mbugua**

Jomo Kenyatta University of Agriculture and Technology

## ABSTRACT

Culture, at the workplace, is a very powerful force, which is consciously and deliberately cultivated and is passed on to the incoming employees. It is the very thread that holds the organization together. The objective of the study was to determine the relationship between organization culture and performance of real estate companies in Kenya. Analysis was done quantitatively and qualitatively by use of descriptive statistics. This included frequency distributions, tables, percentages, mean mode, median etc. In addition, an advance statistical technique (inferential statistics) was considered. A simple regression model was used to assess the collective effect of four independent variables and depended variable. Correlation analysis was used to determine the level of association of the two variables. The study concludes that adaptability, employee involvement, organisation consistency and organisation mission all influenced performance of real estate companies. The study recommends that real estate firms need implement measures that will ensure consistency in the organisation. HR officers should encourage employee questions to clarify any questions about the policies or the application of policies. Real estate companies should institute systems that encourage employee participation in implementation of firm's strategic plan. Real estate companies should have a clear a mission statement outlining how the company shall conducts its business and identified key stakeholders, such as shareholders, customers and employees, this will help employees understand where their contribution fits into the company's objectives. Firms venturing in real estate business should get their employees on board with the decision making process, this should be articulated through the mission and vision statement of the organization.

Keywords: organization culture, real estate companies

## **INTRODUCTION**

## **Organizational Culture**

Schein (1990) defines culture as values and behaviors that are believed to lead to success and are thus taught to new members. The culture of a group can be defined as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1990). According to Mussel (2005) organizational culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and things get done. Organizational culture is the way things get done in an organization. It is what drives action in the organization, guiding how employees think, act and feel.

Performance in an organization may take many forms depending on whom and what the measurement is meant for. Different stakeholders require different performance indicators to enable them make informed decisions. Measures of firm performance generally include such bottom-line financial indicators, sales, profit, cash flow, return on equity and growth using financial measures alone overlooks the fact that what enables a company achieve or deliver better financial results from its operations is the achievement of strategic objectives that improve its competitiveness and market strength. Performance can however be viewed in a number of dimensions namely: profitability, customer satisfaction, customer retention. market share, learning and overall financial performance, (Thompson, 2007).

## **Real Estate Companies in Kenya**

Kenya has a well-developed construction and building industry with readily available quality engineering, building and architectural design services. The industry is currently on an upward trend, due to the implementation of programs such as the Urban Transport Infrastructure plan. The increase in population and rural to urban migration has presented numerous opportunities for investors, especially in the housing sector (Omunga, 2014). In the last decade, Kenya's real estate has grown with the construction sector is approximated to have created 82,000 private sector jobs in 2010 (Hass Property Index, 2013).

## **Statement of the Problem**

The real estate sector contributes 9% of Kenya's GDP, according to a Real Estate Report released by Cytonn Investments (Cytonn Investments, 2016). However the sector has experienced increased competition both in residential and commercial properties. As evidenced by the latest house price index (HPI) that was released from KBA as well as other reports from private organizations, the real estate market performance looks more fragile than what was expected. According to the latest HPI from the Kenya Bankers' Association released at the end of January 2016 average housing prices edged up by just 1.14% within the last three months of the year 2015. This is an indication that the real estate industry has not been performing well as expected (KBA, 2016).

A weak culture of an organization could be a stumbling block to employee performance and development. However, it is not yet clear how these cultures would be embraced in order to positively contribute to employee performance especially in the real estate industry (Korir, 2014). It is therefore critical for the real estate firm to adapt a culture that increases employees' productivity and thus enhance the performance in the industry. This is because organization's culture determines whether a company can attract and keep the best employees and whether in confusing situations, the employees know how they should behave (Coulter & Robbins, 2003). According to Deal and Kennedy (2012) a weak culture of an organization could be a stumbling block to employee performance and development. However, it is not yet clear how these cultures would be embraced in order to positively contribute to employee performance.

Various empirical studies have been done on organizational culture; Siew (2004) highlights organizational culture as a critical antecedent to financial performance. Locally Korir (2014) carried a study on impact of organizational culture on the relationship between strategy and performance of the top ten insurance companies in Kenya and found that insurance companies have tried harness and align their organizational culture to their strategies in order to improve their performance. Omega (2012) did a study on the perceived relationship between organizational culture and employees' job satisfaction at Kenya Commercial Bank and found that organizational culture dimensions of organizational supportiveness, emphasis on rewards, performance orientation and innovation orientation have a direct relationship with the job satisfaction of employees. All the above studies have been done in different contexts which are impacted on differently by the larger environment, therefore this study seeks to fill the

gap by establishing the relationship between organization culture and performance of real estate companies in Kenya.

## **Study Objectives**

The general objective of the study was to determine the relationship between organization culture and performance of real estate companies in Kenya. The **Specific Objectives** were to;

- i. Determine the effect of employee empowerment on the performance of real estate companies in Kenya.
- ii. Evaluate the effect of employee involvement on the performance of real estate companies in Kenya.
- Assess the effect of organisation consistency on the performance of real estate companies in Kenya.
- iv. Determine the effect of organisation mission on the performance of real estate companies in Kenya.

## LITERATURE REVIEW

## **Theoretical Foundation**

In order to understand the effects of organization culture on performance of real estate companies in Kenya, the study adopted four theories to build up the empirical literature. They include; Theory of Cultural Dimensions, Three Layer Organizational Model, Handy's Theory of Organizational Culture and Cameron and Quinn Organizational Culture Theory.

#### **Conceptual Framework**

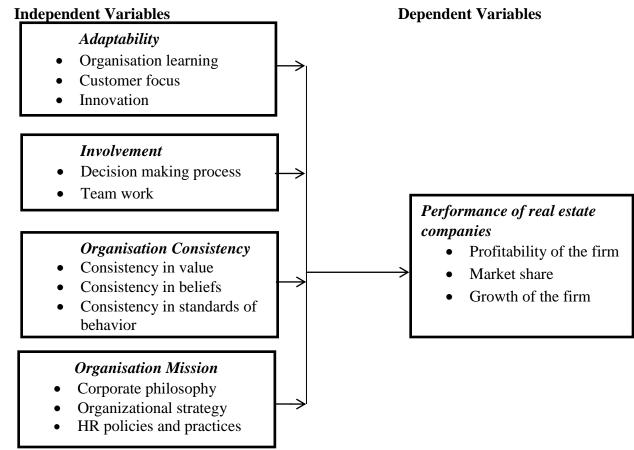


Figure 1: Conceptual Framework

## **RESEARCH METHODOLOGY**

A descriptive research design was used aiming at the relationship between organization culture and performance of real estate companies in Kenya. The population of interest was the top 40 real estate companies in Kenya where the top level managers were targeted. This study undertook a census survey where top level managers of the 40 companies were included.

## **RESEARCH FINDINGS AND DISCUSSION**

#### Adaptability

The study sought to determine the extent to which respondents agreed with the following

© Wangui, Mbugua

The study utilised primary data. Primary data was collected using questionnaire. The study carried out a pilot study to test reliability and validity of the questionnaire. The study selected a pilot group of 6 individuals from the target population. Data collected was both quantitative and qualitative in nature.

statements assessing the impact of adaptability on performance of real estate companies in Kenya. Results are analyzed in table1.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation
This organization is very responsive and changes easily	2.9%	2.9%	20.6%	67.6%	5.9%	3.71	0.76
This organization responds well to competitors and other changes in the business environment.	0%	0%	11.8%	50.0%	38.2%	4.26	0.67
This organization continually adopts new and improved ways to do work.	0%	2.9%	20.6%	61.8%	14.7	3.88	0.69
Customer comments and recommendations often lead to changes in this organization	0%	2.9%	20.6	55.9%	20.6%	3.94	0.74
We follow through customer concerns/needs to resolution	8.8%	8.8%	23.5%	50.0%	8.8%	3.41	1.08
The interests of the final customer often get ignored in our decisions	47.1%	29.4%	5.9%	14.7%	2.9%	1.97	1.19
We view failure as an opportunity for learning and improvement	5.9%	20.6%	23.5%	50%	0%	3.18	0.97
This organization encourages and rewards those who take risk	0%	0%	8.8%	82.4%	8.8%	4.00	0.43
We make certain that we coordinate our actions and efforts between different units in this organization	0%	0%	2.9%	61.8%	35.3%	4.32	0.53
Total	7.2%	7.5%	15.4%	47.4%	15.0%	3.63	0.78

## Table 1: Impact of Adaptability on Performance of Real Estate Companies

From the analysis, majority of the respondents agreed that; real estate companies certainly ensured proper coordinate of their actions and efforts between different units in the organization, real estate companies also responded well to competitors and other changes in the business environment (mean = 4.26 std deviation = 0.67), most of the

companies encouraged and rewarded those who take risk (mean = 4.00 std deviation =0.43) and that customer comments and recommendations often lead to changes in the organization (mean = 3.94, std deviation =0.74) The findings concurs with the research findings by Denison, (2010) adaptability values and practices were closely related to the growth of the firms they studies, the findings further support the findings by Kotter and Haskett (2012) who found a close relationship between adaptability and firm performance

The study also revealed that real most of estate companies in Kenya continually adopted new and improved ways to do work (mean = 3.88, std deviation = 0.69) and that most of the real estate companies were very responsive and changed easily (mean = 3.71 std deviation = 0.76). The findings are in line with the research findings by Nadler, (2008) that companies which valued adaptation were likely to hold ambitious objectives, give priority to the satisfaction of clients, and be willing to try new ideas.

The study revealed that real estate moderately followed through customer concerns/needs to resolution (mean = 3.41, std deviation = 1.08) real estate companies viewed failure as an

opportunity for learning and improvement (mean = 3.18, std deviation =1.97) and that the interests of the final customer were not ignored in decisions making process (mean = 1.97, std deviation =1.19) The findings are in line with the adaptability hypothesis by Kanter, (2013) that asserts that an effective organization must develop norms and beliefs that support its capacity to receive and interpret signals from its environment and translate these into internal cognitive, behavioral, and structural changes.

## **Employee Involvement**

The study sought to determine the extent to which respondents agreed with the following statements assessing the level of employee involvement by real estate companies in Kenya. Results are analyzed in table2.

## Table 2: Level of Employee Involvement Real Estate Companies in Kenya

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation
Employees are involved in deciding how their work is done in your organisation	0%	5.9%	8.8%	79.4%	5.9%	3.85	0.61
Decisions are usually made at the level where best information is available	0%	0%	8.8%	44.1%	47.1%	4.38	0.65
Information is widely shared and accessible by all	0%	2.9%	14.7%	70.6%	11.8%	3.91	0.62
Everyone believes that they add value to the organization	0%	11.8%	26.5%	41.2%	20.6%	3.71	0.94
Working in this organization is like being part of a team	5.9%	2.9%	23.5%	38.2%	29.4%	3.82	1.09

ISSN 2412-0294

This organization relies on horizontal control and coordination to get work done rather than hierarchy	5.9%	5.9%	17.6%	55.9%	14.7%	3.68	1.01
Teams are the primary building blocks of this organization	0%	2.9%	20.6%	52.9%	23.5%	3.94	0.85
The organization is constantly improving compared with its competitors in many dimensions.	0%	0%	11.8%	64.7%	23.5%	4.12	0.59
This organization continuously invests in the skill of employees.	2.9%	2.9%	14.7%	38.2%	41.2%	4.12	0.98
The capability of people in this organization is viewed as an important source of competitive advantage.	2.9%	2.9%	8.8%	70.6%	14.7%	3.91	0.79
Total	1.8%	3.8%	15.6%	55.6%	23.2%	3.94	0.81

From the analysis, majority of the respondents agreed that; real estate companies made decisions at all managerial levels where best information is available (mean = 4.38, std deviation = 0.65) most of the real estate companies constantly improving were compared with its competitors in many dimensions and that real estate companies continuously invests in the skill of employees (mean = 4.12), teams were considered as primary building blocks within the organization (mean = 3.94 std deviation = 0.85) and the findings concurs with the research findings by Manyonyi (2012), an organization with a culture of involving its employees will tend to perform well because the employees will own the decision, and, therefore, hold themselves responsible in case of any failure.

The study also revealed that the capability of people was viewed as an important source of competitive advantage and that information is usually widely shared and accessible by all management levels (mean = 3.91 std deviation = 0.62), employees are involved in deciding

how their work is done in your organisation (mean = 3.85, std deviation = 0.61), working in this organization is like being part of a team (mean = 3.82, std deviation = 1.09) everyone believes that employees they add value to the organization (mean = 3.71 std deviation = 0.94), this organization relies on horizontal control and coordination to get work done rather than hierarchy (mean = 3.68 std deviation = 1.01). Findings concur with the research findings by Xenikou and Simosi, (2013) say that organizational norms that encourage cooperation, teamwork, and participation are related to performance because they facilitate group coordination and synergy of divergent organizational resources.

#### **Organisation Consistency**

The study sought to determine the extent to which respondents agreed with the following statements assessing the impact of organisational consistency on performance of real estate companies in Kenya. Results are analyzed in table 3.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation
The leaders and managers follow the guidelines that they set for the rest of the organization	0%	2.9%	11.8%	70.6%	14.7%	3.97	0.63
There is a clear and consistent set of values in this organization that governs the way we do business	0%	0%	20.6%	52.9%	26.5%	4.06	0.69
This organization has an ethical code that guides our behavior and tells us right from wrong	0%	2.9%	20.6%	52.9%	23.5%	3.97	0.76
When disagreements occur, we work hard to achieve solutions that benefit both parties in the disagreement	11.8%	8.8%	11.8%	58.8%	8.8%	3.44	1.16
It is easy to reach consensus even on difficult issues.	8.8%	11.8%	20.6%	47.1%	11.8%	3.41	1.13
We often have trouble reaching agreements on key issues	17.6%	8.8%	11.8%	41.2%	20.6%	3.38	1.39
People from different organizational units still share a common perspective.	2.9%	26.5%	55.9%	14.7%	2.9%	3.79	0.81
It is easy to coordinate projects across functional units in this organization	0%	5.9%	14.7%	58.8%	20.6%	3.94	0.78
There is good alignment of goals across levels of this organization	0%	0%	5.9%	64.7%	29.4%	4.24	0.55
Total	4.6%	7.5%	19.3%	51.3%	17.6%	3.33	0.88

#### Table 3: Impact of organisation consistency on Performance of Real Estate Companies

From the analysis, majority of the respondents agreed that; real estate firms maintained consistent set of values that governed the way business was done (mean = 4.06 std deviation = 0.69), there is good alignment of goals across levels of the organization (mean = 4.24 std deviation = 0.55) the leaders and managers follow the guidelines that they set for the rest

of the organization , and that real estate firms has an ethical code that guides our behavior and tells us right from wrong (mean = 3.97) it is easy to coordinate projects across functional units in the organization(mean = 3.94 std deviation = 0.78) The findings are in line with the research findings by Achua and Lussier, (2013) that Consistency not only increases the

© Wangui, Mbugua

value of the business brand but also fosters confidence on behalf of customers and which positively increases business market performance.

The study also revealed that people from different organizational units share a common perspective (mean = 3.79 std deviation = 0.81) the leaders and managers follow the guidelines that they set for the rest of the organization (mean = 3.97 std deviation = 0.63), when disagreements occur, the management work hard to achieve solutions that benefit both parties in the disagreement (mean = 3.44) the management have trouble reaching agreements on key issues (mean = 3.38 std deviation = 1.39) and that it is easy to reach consensus

even on difficult issues (mean = 3.41 std deviation =1.13). The findings are in line with the research findings by Khan, (2015) Maintaining consistency while promoting, the company achieves several main goals which increases opens up the potential growth and enhances profit margin significantly.

#### **Organisation Mission**

The study sought to determine the extent to which respondents agreed with the following statements assessing the impact of organisational mission on performance of real estate companies in Kenya. Results are analyzed in table 4.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation
The mission of our organization is aligned to the expectations of our targeted customers	0%	2.9%	5.9%	82.4%	8.8%	3.97	0.52
The mission of our organisation reflects the values and beliefs of top managers in our organization	0%	0%	17.6	55.9	26.5	4.09	0.67
This organization has a clear long- term purpose and direction	0%	2.9%	29.4%	38.2%	29.4%	3.94	0.85
This organization has a clear mission that gives meaning and direction to our work	0%	2.9%	23.5%	61.8%	11.8%	3.82	0.67
This organization has a clear strategy for the future	0%	5.9%	23.5%	50.0	20.6	3.85	0.82
There is widespread agreement about goals of this organization	5.9%	2.9%	20.6%	55.9%	14.7%	3.71	0.97
Leaders of this organization set goals that are ambitious, but realistic	0%	2.9%	26.5%	47.1%	23.5%	3.91	0.79
The leadership has clearly stated the objectives we are trying to meet	0%	0%	23.5%	55.9%	20.6%	3.97	0.67
We have a shared vision of what this organization will be like in the future	0%	0%	5.9%	20.6%	55.9%	3.85	0.78
Leaders of this organization have a	2.9%	5.9%	5.9%	61.8%	23.5%	3.97	0.90
© Wangui, Mbugua	ISSN	2412-029	94		2003		

Table 4: Impact of Organisational Mission on Performance of Real Estate Co	ompanies
--	----------

motivation for our employees	long-term orientation									
		and	0%	0%	20.6%	47.1%	32.4%	4.12	0.73	
<u>Total</u> 0.8% 2.4% 18.5% 52.4% 24.4% 3.93 0.76	Total		0.8%	2.4%	18.5%	52.4%	24.4%	3.93	0.76	

From the analysis, majority of the respondents agreed that; vision creates excitement and motivation for our employees (mean = 4.12) the mission of most of the real estate organisation reflects the values and beliefs of top managers in the organization (mean = 3.97) and that the leadership has clearly stated the objectives the organisation leadership try to meet in long-term orientation (mean = 3.97) The findings concurs with the research findings Sorensen, (2012) organisational mission help workers within the organization know what decisions and tasks best align with the mission of the company.

The study also revealed that most of the real estate firms had a clear long-term purpose and direction (mean = 3.94), leaders of real estate firms had set goals that are ambitious and realistic (mean = 3.91) most of the real estate firms have a clear strategy for the future, real estate firms have a shared vision of what the organization will be like in the future (mean = 3.85) the findings concurs with the research findings Hira and Tayyaba (2012) that vision

statements should offer more of a direction and include a perspective of corporate values.

The study further reveled that real estate firms have a clear mission that gives meaning and direction to our work (mean = 3.82) the mission of in most of the real estate firms is aligned to the expectations of the targeted customers (mean = 3.97) and that by there is widespread agreement about goals of this organization (mean = 3.71) the findings concurs with the research findings Giberson, et al., (2009) a mission statement offers insight into what company leaders view as the primary purpose for being in business

# Performance of Real Estate Companies in Kenya

The study sought to determine the extent to which respondents agreed with the following statements assessing the performance of real estate companies in Kenya. Results are analyzed in table 5.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation
There has been sales /revenue growth in the last 3 years	0%	5.9%	20.6%	67.6%	5.9%	3.97	0.63
Our company has increased its market share in the last 3 years	0%	2.9%	14.7%	64.7%	17.6%	4.06	0.69
Our organisation profitability has increased in the last 3 years	0%	14.7%	61.8%	20.6%	2.9%	3.97	0.76

#### Table 5: Statements Assessing the Performance of Real Estate Companies in Kenya

There has been new product							
developed in our company in the last 3 years	0%	0%	20.6%	50%	29.4%	3.44	1.16
Total	0%	5.9%	29.4%	50.7%	14.0%	3.89	0.81

From the analysis, the study revealed that; most of the real estate companies had increased its market share in the last 3 years (mean = 4.06std deviation = 0.69), the organisation profitability has increased in the last 3 years organisation profitability has increased in the last 3 years (mean =3.97) in each case and that there has been new product developed in company in the last 3 years (mean =3.44). The findings concurs with the research findings by Gordon (2013) that Strategic plans often mean a change in organizational structure or a move toward change. The findings further concur with the research findings by Runy (2013) that Change can be a difficult process and sometimes require time.

#### **Correlation between Organisation Culture with Performance**

#### **Table 6: Correlations between Organisation Culture with Performance**

		Performance of Real Estate Companies	Adaptability	Employee Involvement	Organisation Consistency	Organisation Mission
	ofCorrelation Coefficient	1.000	.573	.711	.672	.644
real est companies	sate Sig. (1-tailed) N	34	.476 34	.439 34	.335 34	.958 34
Adaptability	Correlation Coefficient	.573	1.000	.142	.037	001
	Sig. (1-tailed) N	.001 34	34	.000 34	.003 34	.002 34
Employee	Correlation Coefficient	.711	.142	1.000	.046	.008
Involvement	Sig. (1-tailed) N	.003 34	.001 34	34	.000 34	.000 34
Organisation	Correlation Coefficient	.672	037	.046	1.000	.124
Consistency	Sig. (1-tailed) N	.002 34	.000 34	.001 34	34	.002 34
Organisation Mission	Correlation Coefficient	.644	001	.008	.124	1.000
	Sig. (1-tailed) N	.000 34	.001 34	.003 34	.000 34	34

On the correlation of the study variable, the researcher conducted a Pearson moment

correlation. from the finding in the table above, the study found that there was strong positive correlation coefficient performance of

© Wangui, Mbugua

2005

real estate companies and Adaptability, as shown by correlation factor of 0.573, this strong relationship was found to be statistically significant as the significant value was 0.001 which is less than 0.05, the study found strong positive correlation between performance of real estate companies and employee involvement shown correlation as bv coefficient of 0.711, the significant value was 0.003 which is less than 0.05, the study found correlation positive between strong performance of real estate companies and organisation consistency as shown by correlation coefficient of 0.672, this too was also found to be significant at 0.002, and found strong positive finally the study correlation between performance of real estate

companies and organisation mission as shown by correlation coefficient of 0.644 at 0.000 levels of confidence the findings concur with Runy (2013) who found a strong positive correlation between employee involvement and performance of construction companies.

## Regression Analysis of Organisation Culture on Performance

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 22.0) to code, enter and compute the measurements of the multiple regressions. The model summary is presented in the table 7.

Model	R	R Square	Adjuste	d R Square	Std. Error	of the Estin	mate	
1	.871 <sup>a</sup>	.759	.749		.59752			
the dependent independent above table was 0.749 variation of real estate adaptability organisation	ion which te lent variable nt variable. Fr e the value 9 an indica of 74.9 perce e companies y, emplo	is coefficient lls us the variandue to changes rom the finding of adjusted R states and the there in the the cont on performand due to chan by the the the the cy and organ	ation in the s in the squared re was ance of ages in vement, nisation	performa accounter involvem organisat coefficien between shown in exists str	ince of real es	daptability, anisation co . R is the shows the riables, from ove is nota relationshi	anies could emplo onsistency ne correlat relations m the findi able that th p between	yee and tion ship ngs nere

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.388	4	.347	3.071	.001 <sup>b</sup>
Residual	3.277	29	.113		
Total	4.665	33			

**Table 8: Analysis of Variance** 

Critical value =1.997

#### © Wangui, Mbugua

From the ANOVA statics, the study established the regression model had a significance level of 0.1% which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was greater than the critical value (3.071>1.997) an indication that adaptability, employee involvement. organisation consistency and organisation mission all influenced performance of real estate companies. The significance value was less than 0.05 indicating that the model was significant.

## **SUMMARY OF FINDING**

In line with objective one, the study investigated the impact of adaptability on performance of real estate companies in Kenya. Results obtained from correlation model revealed a strong positive correlation between performance of real estate companies and employee involvement (correlation coefficient = 0.711, P value = 0.003). Test regression results also show that a unit increase in adaptability would enhance the performance of real estate companies by a factor of 0.789.

The study investigated the impact of employee involvement on performance of real estate companies in Kenya. Results obtained show a the study found strong positive correlation between performance of real estate companies and employee involvement (correlation coefficient of 0.711, the significant value = 0.003) test regression results show that a unit increase in employee involvement would promote the performance of real estate companies by a factor of 0.773. Results obtained show a strong positive correlation between performance of real estate companies and organisation consistency (correlation coefficient = 0.672) regression results also show that unit increase in organisation consistency would promote the performance of real estate companies by a factor of 0.787.

The study revealed that organizational vision creates excitement and motivation for the employees (mean = 4.12) the mission of most of the real estate organisation reflects the values and beliefs of top managers in the organization (mean = 3.97) and that the leadership has clearly stated the objectives the organisation leadership try to meet in long-term orientation (mean = 3.97) The findings concurs with the research findings Sorensen, (2012) organisational mission help workers within the organization know what decisions and tasks best align with the mission of the company.

# Performance of Real Estate Companies in Kenya

The study revealed that most of the real estate companies had increased its market share in the last 3 years (mean = 4.06), the organisation profitability has increased in the last 3 years organisation profitability has increased in the last 3 years (mean =3.97) in each case and that there has been new product developed in company in the last 3 years (mean =3.44). The findings concurs with the research findings by Gordon (2013) that Strategic plans often mean a change in organizational structure or a move toward change. The findings further concur with the research findings by Runy (2013) that Change can be a difficult process and sometimes require time.

© Wangui, Mbugua

## CONCLUSIONS

The study concludes that there exist a positive relationship between adaptability and firm performance. Real estate companies in Kenya have strategic measures that ensure that companies adapt to the dynamic changes that occur in the market and that Consistency developed routines and formed momentum.

The study concludes that employee involvement was a key factor that promoted positive performance in real estate industry, most of the real estate firms had established work cultures, systems and processes that encouraged and made use of employee input and feedback.

The study concludes that a clear a mission statement is instrumental in driving the company's strategic plan forward, clear a mission statement outlined how the company conducted its business and identified key stakeholders, such as shareholders, customers and employees and that clear mission statement helped employees understand where their contribution fits into the company's objectives.

#### Recommendations

Based on the research findings, the study recommends that real estate firms need implement measures that will ensure consistency in the organisation. HR officers should encourage employee questions to clarify any questions about the policies or the application of policies. Describe the process employees should follow when they witness inconsistent application of workplace policies.

HR officers should discourage employees from reporting mere presumption of inconsistent application of workplace policies and instead require them to have concrete evidence that © Wangui, Mbugua supports any complaint about the incorrect interpretation of the employer's policies

To promote employee engagement, real estate companies should institute systems that encourage employee participation in implementation of firm's strategic plan. Such systems may include putting up of proper communication channels and dispute resolution procedures.

Real estate companies should have a clear a mission statement outlining how the company shall conducts its business and identified key stakeholders, such as shareholders, customers and employees , this will help employees understand where their contribution fits into the company's objectives.

Firms venturing in real estate business should get their employees on board with the decision making process, this should be articulated through the mission and vision statement of the organization

#### **Recommendations for Further Research**

The study sought to determine the relationship between organization culture and performance of real estate companies in Kenya. Other studies may focus effect of knowledge management for future positioning on strategy implementation in real estate companies in Kenya or effect of discontinuous innovation on strategy implementation real estate companies in Kenya.

The study also proposes a similar study on effect of organizational transformation on strategy implementation on strategy implementation in the real estate companies or coordination of managerial processes affect implementation on strategy implementation in real estate companies.

ISSN 2412-0294

#### REFERENCES

- Ahmad, M. S. (2012). Impact of organizational culture on performance management practices in Pakistan. Business Intelligence Journal, Vol.5 No.1.
- Auma, E. C. (2013). Effect of elements of organizational culture on employee performance: A Case of Moran E.A Publishers. Unpublished thesis University of Nairobi.
- Burnes, B (2006). Managing Change. A Strategic Approach to Organizational Dynamics, Pitman Publishing, London.
- Calori, R., & P. Sarnin (2011). "Corporate Culture and Economic Performance: A French Study," Organization Studies, 12, I, 49-74.
- Cameron, K.S., & Quinn, R.E. (1999). Diagnosing and changing organizational culture: based on the competing values framework. Reading, Mass.: Addison-Wesley.
- Chegini, M.G. (2010). The relationship between organizational culture and staff productivity public organizations Journal of Social Sciences 6 (1): 127-129.
- Denison, D.R. (2010), Corporate Culture and Organisational Effectiveness. John Wiley: New York, NY.
- Giberson, T., Resick, C., Dickson, M., Mitchelson, J., Randall, K. & Clark, M. (2011). Leadership and Organizational Culture: Linking CEO Characteristics to Cultural Values. Journal of Business and Psychology 24(2) pp123-137
- Gina, M. D. (2013). The relationship between organisational culture and financial performance in a South African Investment Bank. University Of South Africa.
- Gordon, C. (2013). Cashing in on corporate culture. Journal of Management Development. 12(4), p 78-93.
- Handy, C.B. (1985) Understanding organizations. Harmondsworth: Penguin Books.
- Hira, A., & Tayyaba, R. (2012). An investigation of the relationship between organizational culture and the employee's role based performance: evidence from the banking sector. International Journal of Business and Commerce. Vol. 2, No.4: (ISSN: 2225-2436).
- *Iverson, R.* (2006). "Employees acceptance of organisational change: the role of organisational commitment", International Journal of Human Resources, Vol. 7 No.1, pp.122-49.
- Kamal, B. (2008). "Organisational culture: organisational adaptability and change a study of Petronas", PhD thesis, University of Southern California, USA.
- Kandula, S. R. (2006). Performance Management. New Delhi: Prentice Hall of India private Limited.
- *Kanter, R. (2013). The Change Masters: Innovation for Productivity in the American Corporation, New York: Simon and Schuster.*
- *Khan, A. (2015) Matching People with Organization culture. Business Management Group Journal ; 23(4):12.*
- Kotter, J.P., & J.L. Haskett (2012). Corporate Culture and Performance. New York: Free Press.

- *Lim, B. (1995). Examining the organizational culture and organizational performance link. Leadership and Organization Development Journal, 16(5), 16-21.*
- Lund, D. B. (2013). Organizational culture and job satisfaction. Journal of Business and Industrial Marketing, 18(3), 219-231.
- Manyonyi, M. (2012). How organizational culture affects employee performance. Journal of Business Ethics 89(3) pp 433-447.
- Miller, D. (2009). "People matter: commitment to employees, strategy and performance in Korean firms", Strategic Management Journal, Vol. 20 pp.579-93.
- Mussel, C.M. (2005). The relationship between total quality management practices and organizational culture. International Journal of Operations and Production Management, 25, 1101-1 122.
- Nadler, D. (2008). Champions of Change : How CEOs and Their Companies are Mastering the Skills of Radical Change, San Francisco, CA: Jossey-Bass.
- Ogbonna, E., & Harris, L.C. (2000), "Leadership style, organizational culture and performance: empirical evidence from Nigerian companies", International Journal of Human Resource Management, Vol. 11 pp.766-88.
- Omega, P. M. (2012). The perceived relationship between organizational culture and employees' job satisfaction at Kenya Commercial Bank. Unpublished thesis University of Nairobi.
- Omondi, D. O. (2014). The influence of organizational culture on employee job performance: a case study of Pacis Insurance Company Limited. Unpublished thesis United States International University.
- Peters, T., & Waterman, R. (2002). In Search of Excellence, Harper and Row, New York, NY, . Petronas", PhD thesis, University of Southern California, USA.
- Rahid, Md., Sambasivan, A., & Johari, J. (2013). The influence of corporate culture and organizational commitment on performance. Journal of Management Development. 22(8), p 708-723.
- Schein, E. (2000). The Corporate Culture Survival Guide, Jossey-Bass, San Francisco, CA.
- Schwartz, H., & Davis, S.M. (2001). "Matching corporate culture and business strategy", Organisational Dynamics, No.Winter, pp.30-48.
- Steinberg, R. M. (2012). "Corporate culture: who failed, who got it right." Expanded Academic ASAP.
- Thomson A. A. (2007). Crafting and Executing Strategy: The Quest for Competitive Advantage, Concepts and Cases. 15th Edition. McGraw-hill, Boston.
- Wanjiku, N. A. (2014). Effect of Organisation Culture on Employee Performance in Non Governmental Organizations. International Journal of Scientific and Research Publications, Volume 4, Issue 11, ISSN 2250-3153.