Organizational Characteristics and Performance in Nigerian Quoted Companies

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Abstract: This study is intended to identify the relationships between organizational characteristics and performance. In pursuance of this, we constructed a model of the 4-S based on McKinsey 7-S framework and empirically evaluated it using Nigerian samples. The data collected for the variables of the model were subjected to the Ordinary Least Square (OLS) regression analysis. The results indicated that organizational characteristics were positively related to performance. More specifically, the findings showed that staff, style, skills and shared values were positively related to organizational performance. It was therefore recommended that because of the positive relationships of the variables, Nigerian organizations should pay close attention to how these variables could be made more performance enhancing.

Key words: Organizational characteristics, organizational performance, staff, style, skills, shared values

INTRODUCTION

Work organizations and indeed other organizations, use money as the basic ingredient for all that is required for their operations. They are therefore eager to maintain and improve the quantity of expendable money by not only investing, but by also identifying, nurturing and maintaining characteristics that promote organizational performance. Improved and sustainable performance ensures that an organization continues to fulfil its mission and survive into the foreseeable future.

So many variables have been identified in the literature as affecting organizational performance. The fact that some variables affect organizational performance propels managers and some researchers to seek to identify those factors that positively or negatively affect the particular organization or industry of their interest with the aim of strengthening the positive variables and ameliorating the effect of the negative ones for those organizations and industries to post superior economic performance.

Unfortunately, these search for the identification of influencing variables have not yet been replicated in the area of characteristics. For instance, it has been shown that most organizations in the United States, when experiencing declining performance, are more likely to implement turnaround management by effecting changes to structure, strategy and systems (Pascale and Athos, 1981; Peters and Waterman, 1982). Nigerian organizations are most likely to do the same when experiencing decline. Hamel and Prahalad (1994) and Okafor (2002) suggest that turnaround management cannot enable an organization to compete for the future, but developing distinctive capacity can. One then wonders if developing appropriate characteristics in conjunction with appropriate competencies would not ensure a better performance in a more intensely competitive future.

Furthermore, it seems that the emphasis on structure, strategy and systems (the 3S) has not yielded the desired results as some of the companies where these variables have been changed, after sometime, went back to experiencing declining performance (Hamel and Prahalad, 1994). It is therefore obvious that more research needs to be done to identify characteristics that enhance organizational performance.

The main objective of this study, therefore, was to examine the relationship of selected organizational characteristics especially the 4S (staff, styles, skills and shared values) to performance. In addition examine the effect of their joint interaction with each other on performance. In doing this, we relied on the models developed in America by Pascale and Athos (1981) and Peters and Waterman (1982).

THE MODEL

Here, we explain the theoretical framework and the model on which the study is based. The theoretical framework and the model are derived from the current state of literature. Specifically we examined the models of Pascale and Athos (1981) and Peters and Waterman (1982). Thereafter we specified the model of this study.

Segment 1, below the line, comprises of structure, strategy and systems. Segment 2, above the line, includes skills, staff, style and shared values (Fig. 1). Together, these two segments form the 7S framework of organizational characteristics and practices. It has been demonstrated by Pascale and Athos (1981) and Peters and Waterman (1982) that western organizations have tended to favour 3 S (these are the hard S's) in the segment 1 when problems arise and changes are to be effected. The likelihood is that structure, strategy, or systems or any combination of them would be changed with the hope of effecting desired positive change in organizational performance. In Nigerian, organizations seem to favour the first segment in any anticipated change. In most of the turnaround management reported in Nigeria at least one or all of these variables were changed (Smith, 2001). In almost all bank turnaround situations, apart from the organisational structures, the capital structures were also changed. So managers in Nigeria concentrate on the three hard S's that are task or production centred. Pascale and Athos (1981) state that emphasis on the first three S's produce an arid world in which nothing is alive. Little wonder why these turnaround strategies of changing any or all of Segment 1 variables are not too effective in the long run.

The Japanese, who have been reputed to have very good and effective management, emphasis the variables in segment 2 (Pascale and Athos, 1981; Peters and Waterman, 1982; Kazuhara, 1993). These are called the soft S's and according to Pascale and Athos (1981) an organisation is given its life through the soft S's. The tremendous success of many Japanese companies comes through meticulous attention to the soft S's, which acts as a lubricant in the organisation machine to keep the hard S's from grinding one another away. The soft S's are employee focused. Employees are provided with a basis of meaning beyond the products or services they provide and the profit derivable from these ventures (Pascale and Athos, 1981) and they see themselves as providing for the development of their communities and the well being of others. The Japanese have a collectivistic and particularistic culture where relationships go beyond the official level and a consensus style of management is adopted which make employees more committed to agreed decisions.
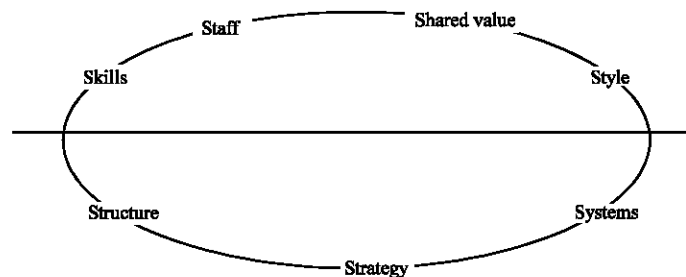

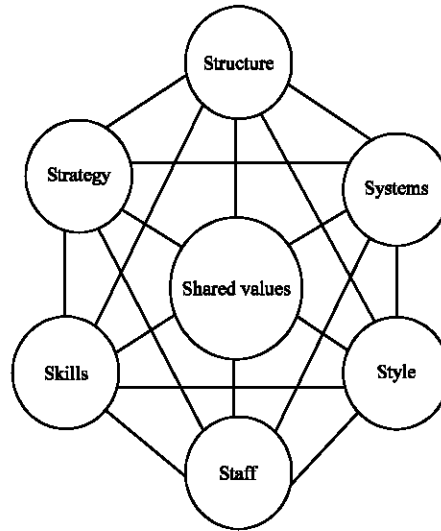Fig. 1: Two segments of 7-S, Source: Pascale and Athos (1981)

Fig. 2: Mckinsey 7-S framework, Source: Peters and Waterman (1982)

In the light of the relationship between segments 1 and 2 of (Fig. 1) as exemplified in their adaptation in United States and Japan; we are of the opinion that the soft S's make the hard S's alive and more effective. By extension any organization that adopts the 7-S's, which is the hard and soft S's, will have a superior economic performance. We can infer the extent to which the art of American and Japanese management have incorporated the application of the 7-S framework characteristics and practices in their organizations as demonstrated by Pascale and Athos (1981) and Peters and Waterman (1982). According to Smith (2001) and Prince-Abbi (2002) emphasis is placed on hard S's in Nigeria to the neglect of the soft S's. This study, therefore, investigated the extent of the application of these neglected soft S's and their relationship to performance in Nigeria. It is hoped that the identified gap would be narrowed if not eliminated.

McKinsey 7-S framework (Peters and Waterman, 1982) of the relationships among the seven variables of strategy, structure, systems, skills, staff, style and shared values (Fig. 2). In this model, the 7S's are not separated as Pascale and Athos (1981)'s model. Peters and Waterman (1982) indicate that many managers get more done by paying attention to all the 7-S.

McKinsey 7-S framework has been universally accepted because it helps immeasurably in forcing explicit thought about not only the hardware-strategy and structure-but also the software of organization-style, systems, staff (people), skills and shared values (Peters and Waterman, 1982). However, there are some weaknesses in the model.

There are no expressed directional relationships among the variables in the design. This could lead to various implied relationships. Also, there are no expressed indications of causal linkages between the 7-S framework and organizational performance or effectiveness in the design. These ought to have been shown to reduce implied relationships.

The 7-S variables are interdependent. For an organization to successfully implement the 7-S framework it needs to align all the variables. To determine the optimum alignment is a difficult task especially in a very dynamic competitive environment. If an organization fails to give proper attention to any of these variables, the others can crash like a pack of cards. This is a particularly difficult terrain as the relative importance of each variable varies with time. It is impossible to determine exactly when the change will occurs, the number of variables changing at the same time and the magnitude of change are extremely difficult to predict and control.

McKinsey 7-S framework helps to develop and understand internal issues to be addressed to achieve organizational effectiveness (Feurer and Chaharbaghi, 1995). The framework is therefore inward looking; this is not the best in a very dynamic competitive environment. For an organization to be effective, it has to anticipate and plan for its internal and external environments.

Furthermore, the framework has also been criticized for its rigidity and stability assumptions. D'Aveni (1994) is of the opinion that the competitive environment is moving so fast that the stability assumptions built into the McKinsey 7-S framework is dysfunctional. Just as computer hardware and software have to continuously be improved to meet the information need of the world, organizations also need to continuously improve on their hardware (3-S) and software (4-S) to meet the speed, agility and dynamism of the competitive environments.

For organizations to develop the appropriate speed and agility to cope with environmental discontinuities, D'Aveni (1994) proposes new 7-S framework. This framework identifies (1) superior stakeholders satisfaction, (2) strategic soothsaying (good sense of where the world is going), (3) speed, capacity to (4) surprise rivals, ability to (5) shift rules of competition, capable of (6) signalling strategic intent and (7) simultaneous and sequential strategic thrusts that would create the momentum to contend with today's more competitive environments.

We believe that the only way to satisfy all stakeholders, determine where the world is going, develop speed and capabilities that will surprise rivals, shift rules of competition, signal simultaneous and sequentially strategic thrust to cope with the dynamism in the environments is to transform the human side of the enterprise. This means working assiduously on the 4-S (staff, skills, styles and shared values).

It will be noticed that our soft S's do not include systems as Peters and Waterman (1982) indicate but is consistent with the categorization of Pascale and Athos (1981). It is the employees (staff), with the appropriate competencies (skills), operating within commonly accepted meanings (shared values), under the right leadership (style), that will be sensitive to the changes in the external environment who will determine what to do to cope with the incessant discontinuities.

In line with this theoretical framework, the model of this study is specified (Fig. 3).

The relationship of 4-S, the lubricants of organizational machinery, which is the human side of the enterprise. It would be seen that each of these four variables affect performance. Furthermore, they affect each other. For instance, the shared values of an organization affect its skills, staff and style. However, shared values are central (Fig. 3).
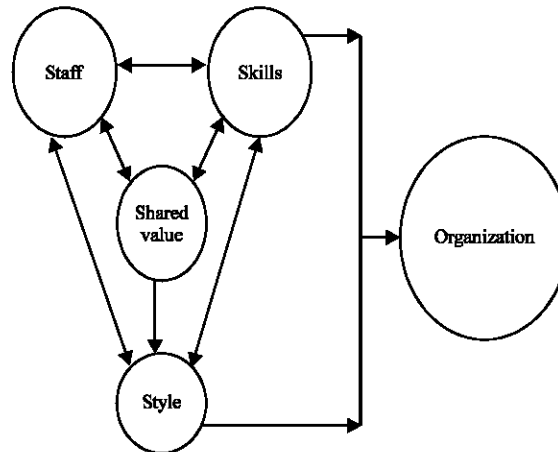

Fig. 3: The 4-S model (The human side of the organizational performance)

According to Prince-Abbi (2002) culture is the organization's DNA, the genetic factor that determines what the organization would be. They affect all the other variables. This is consistent with the literature (Pascale and Athos, 1981; Peters and Waterman, 1982; Kazuhara, 1993; Brown, 1998). The way we scan our environment, our perception and the interpretation, the structure and strategy we adapt to survive and respond to our external environment and integrate our internal processes, the way we treat our staff, the leadership style and the skills we have and desire to acquire depend on our values and the meanings we uphold. Though we are not advocating an almighty cultural formula, we are simply expressing the centrality of shared values. To attain a much more effective organisational performance, top management would need to emphasis those values that enhance performance. In the light of the systems approach, this would affect other variables. In the view of Prince-Abbi (2002) the corporate culture which pervades the organization would determine its principal features and characteristics the organizational culture impacts to it the capability to muster effective responses to threats, or creatively seize opportunities to fare better and live more prosperously.

The primary task of leadership is to communicate the vision and values of an organization to the staff who would develop the appropriate skills to achieve the expressed organizational goals. Second, leadership must win support for the expressed vision and values by the way it treats staff. And third, leadership has to reinforce these vision and values by the way it conducts itself. It is our proposition that the four soft S's must interact and be integrated to give life to an organization and thereby enhance organizational performance.

MATERIALS AND METHODS

The research population comprised companies quoted on the Nigerian Stock Exchange. There were twenty six industrial categories in the 1st Tier Securities as at December 31st, 2005 when this study was conducted. Each of them comprised listing of between one company as in commercial/service industry and thirty-eight as in banking industry. There were two hundred and three (203) listed companies as at that date.

A sample of the research population was taken since time and costs were constraints. Great care was exercised to get a fair representation of the population as sample. Consequently, proportional stratified sampling method was utilized in selecting participating companies. Six industrial sectors of banking, insurance, food/beverages and tobacco, healthcare, industrial/domestic products and packaging were sampled. Fifty three companies were selected from the six industrial sectors of banking 19 companies from 38 companies listed, insurance 11 companies from 23 listed companies, food/beverages and tobacco 7 companies from 13 listed, healthcare 6 companies from 11 companies listed, industrial/domestic products 6 companies from 12 and packaging 4 companies 8 listed. These industrial categories and the organizations sampled were selected by the lottery method. The Chief Executive Officers (CEO) of each of the companies or their designated representatives were the respondents. These categories of respondents were selected because the organization was our unit of analysis and the persons occupying these positions were not only expected to be knowledgeable about the variables we were interested in; they were also the driving force for each of the organizations.

We used both ex-post facto and cross-sectional survey research methods as our data collection methods. Both primary and secondary data were used in the conduct of this research. The primary data were from the responses to questionnaire administered to selected sample as indicated above. The secondary data were obtained from the financial statements of the selected companies for 2005 from which we calculated organizational performance.

The spread of the administered questionnaires, the responses of each industry and the response rates.

Table 1: Spread of administered questionnaires and responses

Industries	No. of quoted companies	Sample administered (51%)	Responses	Response (%)
Industrial/Domestic products	12	6	5	83
Food/Beverages and tobacco	13	7	6	86
Healthcare	11	6	5	83
Packaging	8	4	4	100
Insurance	23	11	8	73
Banking	38	19	12	63
Total	105	53	40	75

Source: Author's Fieldwork

The total number of quoted companies of the six industries selected were 105. The proportional stratified sample of the population at 51% was 53 companies. The response rate of each industry ranged from 63% in insurance industry to 100% in packaging. At the end, 40 questionnaires or 75% of the sample size were returned and usable (Table 1).

The content and internal validity of the research instrument were assessed by a panel of senior academics. The panel examined and agreed that each question and each response option accurately reflected the measurement of the research variable. After the conscientious review of the instrument by the panel, we reflected their opinions in the amendments effected to the original questionnaire. In addition to using panel of judges, we pre-tested the instrument with some executives of organizations.

Reliability (internal consistency) was tested using the cronbach's coefficient. The cronbach's alpha of each of the variables should not be less than 0.7 (Nunnally, 1978; Fron *et al.*, 1992). The Cronbach's alpha values were staffing policies and practices (S_1) 0.90; leadership behaviour of the chief executive officer (S_2) 0.85; skills of the executive management (S_3) 0.83 and sharedness of organizational value among organization members (S_4) 0.79. The high values Cronbach's alpha test indicated that the stability, dependability and predictability of the measuring instrument were very high (Asika, 1991).

Our definitions of variables are articulated hereunder. Organizational performance was defined as return on total assets (ROTA). Staff was defined as the training and development of employees which is reflected in staffing policies and practices. These descriptions included training, mentoring, discipline, malleability, job rotation, performance evaluation, reward and sanction. Style was defined as the characterization of the leadership style of the chief executive officer of each organization adopted to achieve organizational goals. This consisted of concern for employees. Skills were defined as the distinctive competencies of the executive management of the organization. They include anticipatory, visionary, value, empowerment, self-understanding and technical skills. Shared values were defined as sharedness of organizational values which are communicated to the members of the organization.

The Ordinary Least Square (OLS) regression models were used in the analyses of data collected. Both simple and multiple regression models were used. The simple regression model was used first to identify the relationships of each of the independent variables with the dependent variable. Then multiple regression models were used to analyse the anticipated joint actions of the independent variables and the dependent variable. Multiple regression model is a model for understanding the relationships among dependent and several independent variables, predicting and comparing elements and providing solution as to the possible direction of these relationships (Kleinbaum and Kupper, 1978; Oyesiku, 1995; Siegel, 2000).

The form suitable for the empirical testing of the data was stated as:

$$p = a_0 + a_1 S_1 + a_2 S_2 + a_3 S_3 + a_4 S_4 + u \tag{1}$$

Where,

P	=	Return on total assets.
a_0	=	A constant.
S_1	=	Staff (staffing policies and practices).
S_2	=	Style (leadership behaviour of CEO concern for employees).
S_3	=	Skills (skills of executive management).
S_4	=	Shared values (sharedness of organizational values among organization members)
u	=	Error term.
a_1, a_2, a_3, a_4	=	Coefficient of the appropriate research variables.

$a_1, a_2, a_3, a_4 > 0$

Research Hypotheses

The research hypotheses tested were:

- Staffing policies and practices are positively related to organizational performance.
- Leadership behaviour of the chief executive officers are positively related to organizational performance.
- Skills of the executive management are positively related to organizational performance.
- Sharedness of organizational values among organization members is positively related to organizational performance.
- The joint actions of these variables are positively related to organizational performance.

Methodological Limitations

The first limitation of this study is that the majority of the limited liability companies in Nigeria are not quoted on the Stock Exchange. Therefore, the size of the sample was small in relation to all companies in Nigeria. Second, the study was restricted to only four of the 7-S characteristics. It is however expected that further research would examine the relationships of the remaining three.

EMPIRICAL FINDINGS

Here, we presents the data acquired and analyzed. The steps adopted in the presentation of regression analyses in this section are:

- The presentation of the descriptive statistics of the variables under study.
- The presentation of the regression results of the pooled data of all the organizations in the survey. First, we presented the result of each of the independent variables and organizational performance and then joint interactions of all the variables in a stepwise regression.

Descriptive Statistics

The high mean values for staff and skills indicate that there was strong emphasis on training and development of staff and that the executive management possessed the distinctive competencies to lead the organizations to superior organizational performance. The moderate mean values of style and shared values indicate that style was marginally employee concerned and that the values systems were not effectively communicated and shared (Table 2).

Ten correlations were tested and the ten were significant. Correlations between variables show initial support for the hypotheses. For example, the correlation between staff and ROTA was positive and significantly different from zero (0.36, $p<0.01$).

Table 2: Mean, standard deviation, reliability and intercorrelations of study variables in the entire survey

Variables	Mean	SD	Reliability	S_1	S_2	S_3	S_4
S_1	4.13	0.59	0.90	1.00			
S_2	3.90	0.70	0.85	0.41**	1.00		
S_3	4.55	0.50	0.83	0.54***	0.27*	1.00	
S_4	3.57	0.52	0.79	0.52***	0.38**	0.59***	1.00
ROTA	0.12	0.09		0.36**	0.52***	0.43**	0.59***

Correlation significant at *: $p<0.05$; **: $p<0.01$; ***: $p<0.001$, S_1 = Staff; S_2 = Style; S_3 = Skills; S_4 = Shared values

In these results, there was no serious multi-collinearity between independent variables and therefore our interpretation of the regression equations may not be adversely affected. Multi-collinearity occurs when two or more variables are highly correlated; that is having correlation coefficient of 0.8 and above (Oyesiku, 1995).

The reliability (internal consistency) of the measures of the sample variables was tested using cronbach's coefficient alpha. The value for each variable exceeded the minimum limit of 0.7 recommended by Nunnally (1978) and Frone *et al.* (1992). This high values of Cronbach's alpha indicated that the questions were very reliable to measure the research variables.

Entire Survey Regression Results

$$ROTA = -0.09 + 0.36\ S_1 \quad\quad (1)$$
$$(-1.059)\ (2.359)*$$

$R^2(\%) = 12.8$
$F = 5.563*$
t-values are in parentheses under the relevant coefficients.

Equation 1 indicates that staffing policies and practices (S_1) had a positive and significant relationship with ROTA at $p<0.05$. The F value shows that staffing policies and practices (S_1) explained a significant amount of the variation in ROTA at $p<0.05$.

The second step was to determine the effect of style (S_2) on ROTA. The result shows that:

$$ROTA = -0.13 + 0.52\ S_2 \quad\quad (2)$$
$$(-1.974)\ (3.797)*$$

$R^2(\%) = 27.5$
$F = 14.412*$

Equation 2 means that Style (S_2) had a positive and significant relationship with ROTA at $p<0.05$. The F value indicates that Style (S_2) explained a significant amount of the variation in ROTA at $p<0.05$.

The next variable evaluated was Skills (S_3) relationship with ROTA. The result shows that:

$$ROTA = -0.22 + 0.43\ S_3 \quad\quad (3)$$
$$(-1.888)\ (2.930)*$$

$R^2(\%) = 18.4$
$F = 8.585*$

Equation 3 means that skills (S_3) had a positive and significant relationship with ROTA at $p<0.05$. The F statistic signifies that Skills (S_3) explained a significant amount of the variation in ROTA at $p<0.05$.

The last relationship evaluated was between shared values (S_4) and organizational performance.

$$ROTA = -0.23 + 0.59\ S_4 \qquad (4)$$
$$(-2.956)\ (4.506)^*$$

$R^2(\%) = 34.8$
$F = 20.303^*$

Equation 4 demonstrates that shared values (S_4) had a positive and significant relationship with organizational performance (ROTA) at $p<0.05$. The F-value denotes that shared values (S_4) explained a significant amount of the variation in ROTA at $p<0.05$.

The results are for independent relationships of each of the research variable with organizational performance of the entire survey without the interaction of other research variables. However, model 3 anticipated interactions of the all the variables since they are used together at the same time. Therefore we ran a stepwise regression.

$$ROTA = -0.09 + 0.36\ S_1 \qquad (5)$$
$$(-1.059)\ (2.359)^*$$

$R^2(\%) = 12.8^*$
$\Delta F = 5.563^*$
t-values are shown in parentheses under the relevant coefficients.

Equation 5 shows that Staffing policies and practices (S_1) had positive and significant relationship with ROTA at $p<0.05$. The F value suggests that Staffing policies and practices (S_1) explained a significant amount of the variation in ROTA at $p<0.05$ (Table 4).

$$ROTA = 0.20 + 017\ S_1 + 0.46\ S_2 \qquad (6)$$
$$(-2.227)^*\ (1.138)\ (3.013)^*$$

$\Delta R^2(\%) = 17.2^*$
$R^2(\%) = 30.0$
$\Delta F = 9.078^*$

Equation 6 indicates that Staffing policies and practices (S_1) had positive but not significant relationship with ROTA at $p<0.05$. Style (S_2) had positive and significant relationship with ROTA at $p<0.05$. The F statistic indicates that the two independent variables considered together explained a significant amount of the variation in ROTA at $p<0.05$. However comparing Table 3 and 4, indicates that the change in coefficient of determination, as a result of the introduction of style (S_2), was 17.2% in Table 4 in contrast to 27.5% in Table 3 when style (S_2) was regressed alone. Moreover, the relationship of staffing policies and practice (S_1) and ROTA became not significant.

$$ROTA = -0.333 + 0.02\ S_1 + 0.44\ S_2 + 0.30\ S_3 \qquad (7)$$
$$(-2.995)^*\ (0.87)\ (2.990)^*\ (1.914)$$

$\Delta R^2(\%) = 6.5$
$R^2(\%) = 36.4$
$\Delta F = 3.663$

Table 3: Relationship of each variable with organizational performance of the entire survey

Variables	Constant	Coefficient	R^2 (%)	F	Durbin-Watson
S_1	-0.090 (-1.059)	0.36* (2.359)*	12.8	5.563*	2.03*
S_2	-0.131 (-1.974)	0.52** (3.797)**	27.5	14.412**	2.25*
S_3	-0.220 (-1.888)	0.43* (2.930)*	18.4	8.585*	1.76*
S_4	-0.230 (-2.956)*	0.10*** (4.506)***	34.8	20.303***	1.80*

*: $p<0.05$; **: $p<0.01$; $p< 0.001$. S_1 = Staff; S_2 = Style; S_3 = Skills; S_4 = Shared values, t-values are shown in parentheses

Table 4: Stepwise regression analysis of the entire survey

Variables	Step 1	Step 2	Step 3	Step 4
Constant	-0.09 (-1.059)	-0.200 (-2.227)*	-0.333 (-2996)*	-0.353 (-3.397)*
S_1	0.36* (2.359)*	0.17 (1.138)	0.02 (0.087)	-0.08 (-0.468)
S_2		0.45* (3.013)*	0.44* (2.990)*	0.36* (2.609)*
S_3			0.30 (1.914)	0.13 (0.777)
S_4				0.42* (2.548)*
ΔR^2 (%)	12.80*	17.20*	6.50	9.90*
R^2 (%)	12.80*	30.00*	36.40	46.40*
ΔF	5.563*	9.078*	3.663	6.490*
Durbin-Watson				2.107*

*: $p<0.05$. S_1 = Staff; S_2 = Style; S_3 = Skills; S_4 = Shared values, t-values are shown in parentheses

Equation 7 shows that staffing policies and practices (S_1) had positive but not significant relationship with ROTA at $p<0.05$. Style (S_2) had positive and significant relationship with ROTA at $p<0.05$. Skills (S_3) had positive but not significant relationship with ROTA at $p<0.05$. The F-value shows that the three independent variables considered together did not explain a significant amount of the variation in ROTA at $p<0.05$. However, comparing Table 3 and 4, shows that the change in coefficient of determination, as a result of the introduction of skills (S_3) was only 6.5% in Table 4 in contrast to 18.4% in Table 3 when skills (S_3) was regressed alone. Moreover, the relationship of skills (S_3) and ROTA became not significant.

$$ROTA= -0.353 -0.08\ S_1 + 0.36\ S_2 + 0.13\ S_3 + 0.42\ S_4 \qquad (8)$$
$$(-3.397)^*\ (-0.468)\ (2.609)^*\ (0.777)\ (2.548)^*$$

$\Delta R^2(\%) = 9.9$
$R^2(\%) = 46.4$
$\Delta F = 6.490^*$

Equation 8 shows that Staffing policies and practices (S_1) relationship with ROTA became negative but not significant at $p<0.05$. Style (S_2) had positive and significant relationship with ROTA at $p<0.05$. Skills (S_3) had positive but not significant relationship with ROTA at $p<0.05$. Shared values (S_4) had positive and significant relationship with ROTA at $p<0.05$. The F statistic signifies that the four independent variables considered together explained a significant amount of the variation in ROTA at $p<0.05$. However, comparing Table 3 and 4, shows that change in coefficient of determination, as a result of the introduction of shared values (S_4), was only 9.9% in Table 4 in contrast to 34.8% in Table 3 when shared values (S_4) was regressed alone. The relationship of shared values and ROTA remained significant at $p<0.05$.

The Model

The main objective of this study was to examine the relationship of selected organizational characteristics especially the 4S (staff, styles, skills and shared values) to performance. In addition examine the effect of their joint interaction with each other on performance.

The results indicated that staff, skills, style and shared values were each positively related to organizational performance. These results empirically support the position of Pascale and Athos (1981) and Peters and Waterman (1982).

However, the Model indicated that the independent variables are expected to affect one another as they collectively affect organizational performance. The level of expected interactions among the independent variables did not cause problem of multi-collinearity as the variables were separate and independent from each other. The discussion below is on the effects of the joint actions of the variables since these variables are used together in business.

The effects of these interactions were shown. Four different steps of stepwise regression were demonstrated. The first step disclosed that staffing policies and practices (S_1) were positively and significantly related to organizational performance at $p<0.05$. However, the second step indicated that the introduction of leadership behaviour of the chief executive officer (S_2), made staffing policies and practices (S_1) positive but not significant. S_2 at this point was both positive and significant at $p<0.05$. This clearly was the effect of the joint interactions. The third step introduced skills of executive management (S_3) into the equation. While S_2 remained positive and significant, S_1 and S_3 were positive but not significant. It would be recalled that as individual variables, S_1 and S_3 were both positive and significant. The present position was clearly as a result of the interactions among the variables. The fourth step introduced sharedness of organizational values among organization members (S_4) into the equation. S_4 was positive and significant at $p<0.05$ level. While skills remained positive and not significant at $p<0.05$ level, the relationship of S_1 with organizational performance degenerated to negative and not significant. S_2 continued to be positive and significant at $p<0.05$ level. These relationships were, again, the effect of the interactions among the independent variable.

The Model showed that the variables jointly and severally affect each other and performance. Shared values (S_4) and style (S_2) independently interacting with ROTA determined 34.8 and 27.5%, respectively of the variations. This was much more than the 12.8 and 18.4% variations in ROTA determined by staff (S_1) and (S_3), respectively. However, the changes in coefficient of determination consequent on the introduction of S_3 and S_4 in joint interactions were minimal indeed. This was obviously the effect of the interaction.

In addition to the contribution of the variations in ROTA, both S_4 and S_2 remained consistently positive and significant at $p<0.05$ level throughout all the interactions among the independent and dependent variables. This justified our a-priori expectation of the importance of style (S_2) and the centrality of shared values (S_4).

We indicated, at the model section, that though we are not advocating an almighty cultural formula, we emphasized the centrality of shared values (S_4). We also mentioned the pivotal role of leadership style (S_2) in eliciting extra-ordinary performance from seemingly ordinary employees.

Though, staffing policies and practices (S_1) and skills of executive management (S_3) had very high mean values, they were not significant in joint interactions. This means that very strong emphasis was laid on training and development of employees and that the executive management and by extension the entire organizations, possessed the distinctive competencies to lead the organizations to superior economic performance. However, these two variables, though positively related to organizational performance, were not consistently significant at 5% level of analyses. The implication of this is that the organizations may have spent huge amounts of resources in staff training and development and in acquiring portfolio of skills, it seemed that the appropriateness and application of these training, developments and skills left much to be desired. Hence, the low impact of these variables on organizational performance.

These findings, with respect to each of the variables and organizational performance, as indicated above, agree with Pascale and Athos (1981) and Peters and Waterman (1982). However, the findings on the joint actions of the 4S (staff, skills, style and shared values) on themselves and on organizational performance are unique contribution to the Nigerian environment.

POLICY RECOMMENDATIONS

This study set out to evaluate, empirically, the relationships between organizational characteristics and performance. The result has shown that organizational characteristics were positively related to organizational performance.

Adequate attention should be given to the development of staffing policies and practices by all organizations to promote the growth and development of human capital. Training, discipline, adequate reward system and job security should be encouraged. Mentoring, a veritable tool for management development should be encouraged among top executives and organizations. Employees should also be encouraged to apply their training in the work place.

Leadership behaviour of the chief executive and indeed of all cadres of management, should emphasize and enhance employee concern. When employees are certain that their leaders empathise with them, they are more ready and willing to develop organizational citizenship behaviour that enhances organizational effectiveness.

There is a manifest need for the executive management of our organizations to put their individual and collective skills at the disposal of their various organizations. The non significant position of this variable in this study indicated that our skills are not impacting adequately on performance in various organizations. Indeed, the dismal performance of the various sectors of the Nigerian economy attests to this fact. So, there is the need not to only improve the portfolio of skills but to also to apply these skills in various organizations.

The unwholesome position of Nigeria's value system makes moral rearmament an imperative for organizational survival and national rebirth. We must emphasize what is of value and what behaviour is acceptable at organizational and at national levels. These values should be communicated to all levels both in the organizations and the nation. Appropriate sanctions and rewards system should be instituted and related to the performance of employees. This will ensure that employees would apply their skills, training and experience to their work to improve organizational performance. It is hoped that these measures would bring Nigeria, as a nation, out of this dismal value orientation position.

CONCLUSIONS

This study was designed to evaluate the relationships between organizational characteristics and performance. In the light of Pascale and Athos (1981) and Peters and Waterman (1982) models, a model was designed for the 4-S (the human side of the organization). This model was tested using Nigerian samples and the 4-S model was found to be positively related to organizational performance.

The relationships indicated by the model agree with the positions of Pascale and Athos (1981) and Peters and Waterman (1982) models. In addition, it was found that the prodigiously trained and skilled human capitals seemed not to be effectively utilized in the work place. Neither was the value systems effectively communicated.

In the light of the above, it was recommended that employees should be encouraged to apply their training in the work place; while the executive management should put their individual and collective skills at the disposal of their various organizations. Finally, it was recommended that the unwholesome position of Nigeria's value system makes moral rearmament an imperative for organizational survival and national rebirth. It is hoped that these measures would provide the impetus for efficient utilization of human and other resources at organizational and national levels.

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