



Investigating the influence of organisational culture on the performance of Small and Medium Enterprises (SMEs): Evidence from Nigeria

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ABSTRACT

The study assessed the influence of organizational culture on the performance of Small and Medium Enterprises (SMEs) in Abuja. The questionnaire used was created based on Cameron and Quinn's Organizational Culture Assessment Instrument (OCAI) in identifying different types of organizational culture. Using a cross-sectional survey research design, the primary data was obtained through administered structured questionnaire to one hundred and twenty-seven (127) SMEs at different sampled locations in Nigeria. Pearson Product Moment Correlation analysis was used to identify the relationship that exist between the variables and the results revealed that organizational culture measured by clan culture, market culture, adhocracy culture and Hierarchy culture variables have significant relationship of $r = 0.616, 0.514, 0.604$ and 0.784 respectively with performance. The study concludes that organizational culture has significant influence on the performance of Small and Medium Enterprises (SMEs) in Abuja and that Hierarchy culture is found important in promoting innovative performance than the other type of culture. The study recommendation is thus that SME owners should ensure that all new employees receive a formal briefing on the company's traditions, beliefs, vision, and strategies. They should create and print a common set of procedures and policies to promote seamless discharge of duties and responsibilities in such a way that will foster innovative performance in the work place.

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Introduction

Small and medium enterprises (SMEs) are considered the backbone of a country's economy because they account for the vast majority of businesses worldwide and are important contributors to job creation and global economic development (Cicea, Popa, Marinescu & Catalina 2019). SMEs' performance is the driving forces and indices behind the level of industrialisation; modernization; urbanization, profitable and meaningful jobs for all workers able and ready to work; fair distribution of income, welfare, capital income and citizenship quality of life as SMEs contribute to employment growth at a higher rate than larger firms (Cicea et al., 2019). The importance of the performance of SMEs is based on several factors. First, small and medium-sized companies heavily influence both the Gross Domestic Product (GDP) and the unemployment rate. According to the World Bank report on Small and Medium Enterprises (SMEs), SMEs account for roughly 90% of businesses and more than half of all jobs globally and in developing economies, formal SMEs account for up to 40% of GDP (World Bank 2018). This figure excludes informal SMEs that have now grown widely due to squeezing economic realities

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The importance of small and medium businesses (SMEs) to the Nigerian economy is undeniable; they have immense potential for job creation, developing local technology, diversifying output, encouraging indigenous entrepreneurship, and promoting integration with large-scale industries (Effiom & Edet 2018). In the last five years, SMEs contributed approximately 48 percent of national GDP in Nigeria, according to the Nigerian Statistics Bureau (NBS 2019) cited in PwC (2020). SMEs account for about 50 percent of industrial employment and nearly 90 percent of the manufacturing sector in terms of number of businesses, with a total population of about 17.4 million (PwC 2020).

The type of culture SMEs portrays determines its ability to boost its performance. Qazi, Miralam, and Bhalla (2017) captured this opinion thus; "Culture can support linkages between technology adoption and organizational growth; it can be a critical success factor in organization growth strategy and play a crucial role in determining the success or failure of organization". SMEs needs to embrace its own culture with a view to adopting the best administrative strategy to achieved optimum organizational growth, which must consider the intentions of the enterprise. Organizational culture establishes a structure for employee conduct in the workplace.

Ability to fully grasp organizational culture is crucial to comprehending organizational action. The type of culture embraced by an organizations influences how its activities is viewed by stakeholders, as well as the relationship between various business elements and motivation in terms of sharing information and knowledge. [Large corporations have realized the value of adopting the right culture for the environment they operate in. However, smaller companies do not possess the same sensitivity which is in part due to a lack of maturity to do what it takes for the purpose of implementing an appropriate culture for businesses]. It is therefore essential that the culture adopted by businesses and organization is able to foster growth and development. Bezrukove et al., (2012) supports this, and technically, culture influences the capacity of an enterprise to innovate, as it forms values, attitudes and behaviors associated with risk taking, the identification of opportunities and reacting rapidly to environmental forces and change.

Understanding organization's actions requires knowledge of its culture. It portrays a mental image of an entity or company to its stakeholders by defining the principles, shapes, standards, beliefs, and practices of the business. Organizational culture is a set of distinct characteristics that emerges over time within a company. It is difficult to identify and pass between organizations since it cannot be decided or dictated by management. In order to promote creativity, development, and innovation in businesses and organizations, it is essential to adopt the appropriate culture.

Past researches focused on studies of organization culture and its relationship to innovation (Shahzad, Xiu & Shahbaz 2017), turnover intention (Mbah, Ekechukwu & Obi 2018), Organizational Innovation (Apsalone 2018) and Entrepreneurial orientation (Dzomonda & Fatoki (2019). Khedhaouria, Nakara, Gharbi & Bahri (2020) examined the impact of organizational culture on small firms in Tunisia; Joseph and Kibera (2019) examined the effect of organizational culture and performance of microfinance banks in Kenya; Asif and Sajjad (2018) examined the relationship between organizational culture and performance in Pakistan. Consequently, there is a research gap in the aspect of organization culture and performance of SMEs in Nigeria which this study intends to fill. Some of the reported studies on organization culture and performance of organizations are not in the context of Nigeria settings. Furthermore, the contradictory findings on the organization culture – performance relationship indicate a further investigating studies should be carried out. To this end, this study investigates the influence of organizational culture on the performance of small and medium scale enterprise (SME) with the purpose of identifying contributing elements of culture that fosters creativity, innovation and growth within the SME sector in Nigeria.

In view of the dearth of research in this area, the major contribution of this paper is to fill this theoretical gap by ascertaining the prevailing profile of organizational culture and its relationship with performance among SMEs in Abuja, Nigeria.

This paper will study the relationship between organizational culture and innovative performance of SMEs; it will show how SMEs might significantly benefit if they could identify ways to develop a framework aimed at deploying sustained innovative ability through a set of internal beliefs and shared norms to achieve organization success. To achieve this, SMEs will need a better understanding of the associated cultural aspects in relation to performance which could ultimately lead SMEs to better management practices and internal stability.

To establish the influence of organizational culture on the performance of Small and Medium Enterprises (SMEs) in Abuja, we set out to: (i) examine the relationship between clan culture and innovative performance of SMEs; (ii) determine the relationship between market culture and innovative performance of SMEs; (iii) evaluate the relationship between adhocracy culture and innovative performance of SMEs; and (iv) ascertain the relationship between hierarchical culture and innovative performance of SMEs.

Following the development of the objectives, the research questions to be addressed are: (i) Is there any relationship between clan culture and innovative performance of SMEs in Abuja? (ii) To what extent does market culture influence innovative performance of SMEs in Abuja? (iii) Does adhocracy culture influence innovative performance of SMEs in Abuja? (iv) Is there any relationship between hierarchical culture and innovative performance of SMEs in Abuja?

The following sections are organized as follows. The following section presents the theoretical and conceptual model followed by empirical review and hypothesis development of the study. The third section specifies the methodology used in our research. The fourth section analyses our main findings, the fifth section discusses the results, and the final section concludes the present study by highlighting the main contributions and suggestions for further studies.

Literature Review

Theoretical and Conceptual Background

The concept of Organizational Culture

Organizational culture is an integral part of understanding an organization’s behavior. It defines the values, shapes, norms, beliefs and practices of a business while also portraying a mental picture of an organization or business to its stakeholders. Organizational culture is a set of unique attributes that is slowly developed within the organization over time. Biswas (2015) stated that organizational culture values organizational members' achievements and accomplishments, providing a holistic view of what and how to accomplish, how goals are interrelated, and how each employee can achieve objectives. As stated in Motilewa, Agboola and Adeniji (2015), Hofstede (2005) summarizes the organizational culture as a collective spirit mechanism that distinguishes members of an organization from others (Motilewa et al., 2015). The organizational culture was defined by Schein, cited in Joseph and Kibera (2019) as an overall phenomenon in the organization such as the natural environment, rite and rituals, climate and corporate values. He also characterized organizational culture as a swirling, engaging and interactive dynamic force within the organization and influenced its gestures, belief and attitudes by its employees and management.

Organizational culture cannot be determined or imposed by management, it is not easily defined and transferable between organizations. Adopting the proper set of culture helps to foster creativity, growth and innovation in business and organizations. Organizational culture that encourages and promotes innovation can be measured by behaviour or traits that demonstrates an appreciation and reward for creativity, risk taking, freedom, proactiveness, focusing on teamwork, communication, participation, trust and respect (Dobni, 2008 cited in Harel et al., 2020) while also encouraging informal employee meetings and interactions, encouraging monitoring of employee’s performance, continuous experiment with innovation and knowledge sharing (Harel et al., 2020). Organizational culture can promote or inhibit innovation among employees of any organization depending on the type of culture that is accommodated by such organizations. Conversely, an ineffective culture may lead to poor leadership and management, poor customer – relations, ineffective employee and low turnover.

Experts and practitioners have suggested that in order to assess indicators that influence organisational performance, there are certain cultural dimensions that can be used as competitive principles and the combination of these dimensions constitutes four quadrants with major variations in the organizational cultural profile (Cameron & Quinn, 2011) as shown in the figure 1 below.

In figure 1, clan and adhocracy culture provides flexibility and discretion to an organization, hierarchical and market culture provides stability and control to the organization. A combination of clan and hierarchy culture focus on internal process and integration within the firm while a combination of adhocracy and market culture focus on external environment and differentiation within which the firm operates.

In this study, we claim that organizational culture has a crucial role in determining the innovation performance. On this account, we have developed our hypothesis based on this theory and conducted a research process which analysis could be utilized to back up the relationship between organizational culture and innovation performance.

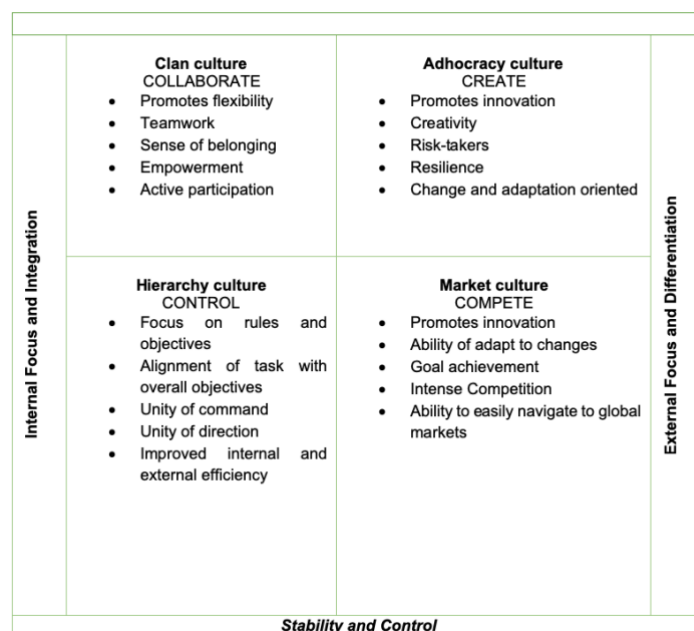


Figure 1: Organizational Culture Indicators (adapted from Cameron & Quinn, 2011)

The vertical axis represents the SME's versatility or central control in coping with issues and the horizontal axis presents SME which place a premium on control and adhere to a hierarchical organizational culture that prioritizes written procedures and processes (Suderman 2012).

Clan Culture

Since the organization is similar to an extended family, it is named "Clan" (Cameron and Quinn, 2011). The "clan" form of culture is an organization with common beliefs and goals, solidarity, personality. A clan culture is internally oriented towards flexible structures, focusing on internal collaborative processes by 'doing things together'. Here, everyone is involved in the decision-making process. The employees undertake organizational tasks as a team. This type of culture is people oriented, it improves the sense of belonging of employees and all initiatives do not meet resistance as they feel they are part of the process and as such work together to achieve organizational objectives. A large body of evidence and theory provides a strong basis on which to conclude that a clan culture may foster small firms' innovativeness, risk-taking and proactiveness (Arditi, Nayak & Damci, 2016; Chatterjee, 2018; Kim & Chang, 2018; Joseph & Kibera, 2019).

Market Culture

The word "market" does not refer to a specific market's marketing role or customer, it is a market organization form that has emerged as a result of new designs relating to an organization that is facing competitive challenges (Cameron and Quinn, 2011). This is externally oriented towards competition. It helps the organization to focus on how to achieve results through competition. This type of culture focusses on the external environment and how the organization can place itself ahead of other competitors through pricing, branding, innovation among others. This type of culture promotes intense competition within an industry which helps employees think out of the box by doing something different. This is culture supports innovation, helps organization achieve its objectives, ability to withstand intense competition and easily navigate global markets.

Adhocracy Culture

The term adhocracy refers to a complex unit. The assumption for this type of culture is that organizational performance can be achieved through creativity and pioneering measures, especially in the development of new products and services and the planning of future changes (Cameron and Quinn, 2011). This is externally oriented towards dynamic structures that value creativity, risk-taking and innovation. It focuses on doing things different, striving to develop something unique and different from what is obtainable in the market. This type of culture supports creativity, thinking out of the box, risk-taking, ability to adapt to change, ability to picture every draw back as challenging to develop something better. This type of culture promotes resilient employees. An adhocracy culture creates a work environment that is completely free from pressures and encourages organization's members to take risks and manifest their creativity by exploring and exploiting new opportunities.

Hierarchy Culture

The hierarchy culture is marked by clear decision-making authority as well as regulatory and procedural guidelines, monitoring and accountability structures, which are assessed as essential to performance, standardized formalization, and a clear work framework that includes working procedures to control all organizing participants (Cameron and Quinn, 2011). It is internally oriented towards integrating structures and control. It focuses on internal processes, line of authority and command, delegation of duties. This type of culture is not employee oriented, it has high power distance and as such employees are not actively involved in the decision making process. However, this type of culture promotes integration in the work place, aligns organizational focus with overall objectives, improve the internal processes of the organization thereby improving efficiency, promotes unity of command and direction. It is opined that hierarchical culture does not promote creativity, risk taking and innovativeness because it is focused on internal processes, following laid down rules and procedures. However, Asif and Sajjad (2018); Khan and Ahmed, (2018); and Joseph and Kibera, (2019) all have found a positive relationship between hierarchical culture and performance of firms.

Innovative Performance

It has been confirmed that organizational performance is a complicated and multidimensional affair; there is no "quick fix" or any "short-cut" for improving the performance. (Asif & Sajjad, 2018). An innovation is defined as any idea or practice perceived to be new by the adopting organization (Ergun, 2018). The definition of innovative performance place major focus on the technicality of innovation and development of new product or service into the market. It can therefore follow that innovativeness can be measured using creation of new ideas, processes and technology as a parameter. According to the Organisation for Economic Co-operation and Development (OECD), "innovation is defined as the introduction of a new or significantly improved product or the implementation of a new process, marketing method or organizational method in business practices, workplace organization or external relations (OECD, 2005)". The definition of innovation by OECD took into cognizance the difference between technological innovation in product and process and non-technological innovation in marketing.

For the purpose of this study, innovative performance is measured by adapting the study done by Khedhaouria et al. (2020) where innovativeness of small firms was measured based on the risk taking or averseness, ability of management to encourage Staff to think out of the box and pro-activeness in terms of strategies and decision making process.

Figure 2 showed the conceptual framework of the study, the relationship between the independent variable and dependent variable. The idea is identifying the type of culture that stimulates innovative performance in SMEs which will in turn contribute towards overall sustained success of SMEs.

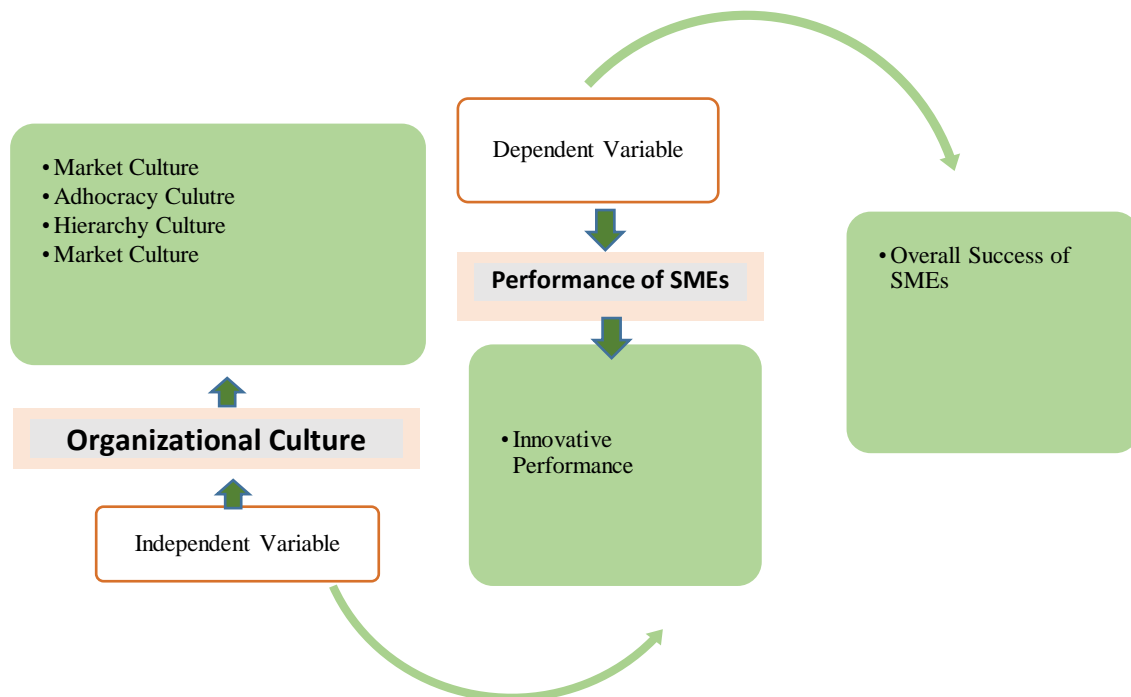


Figure 2: Conceptual Framework

Commonly, organizational culture starts with adhocracy culture which is characterized with low power distance values. However, as the organization begins to grow, it sets guide, control and the direction it intends to follows. These guide, control and direction come in form of strategic structures, policies, planned activities and how they intend to achieve them, line of authority and reporting structure among others. Subsequently, the power distance values will be high due to growth and establishment line of authority. This type of culture is presumed to be entrepreneurial oriented because it facilitates proactiveness, innovative and risk taking behaviour (Naranjo-Valencia 2017a, 2017b). Therefore, we hypothesized that there is no significant relationship between adhocracy culture and innovative performance of SMEs in Abuja, Nigeria.

A hierarchical culture is oriented towards regulation, focusing on effectiveness and ‘doing things right’ (Cameron and Quinn, 2006). According to Tian, Deng, Zhang and Salmador (2018), ‘internally orientated governance and practice’ may slow risk-taking and idea generation, which may hamper innovation. Therefore, innovation requires reducing control and regulation. In addition, both Kim and Chang (2018) and Khedhaouri et al. (2020) found that hierarchical culture may negatively impact innovativeness, risk-taking and proactiveness. It is on this bases that we hypothesized that there is no significant relationship between hierarchical culture and innovative performance of SMEs in Abuja, Nigeria.

Clan culture is internally focused with flexibility and discretion. It is characterized by a sense of cohesion, strongly shared goals and involvement of all employees (Cameron and Quinn, 2006). A clan culture has been suggested to be a driver of small-firm through innovativeness, risk-taking and proactiveness. This notion is supported by the findings of Kim and Chang (2018), Chatterjee, Pereira and Bates (2018) and Josphe and Kibera (2019). Consequently, we hypothesize that there is no significant relationship between clan culture and innovative performance of SMEs in Abuja, Nigeria.

Lastly, market culture is result oriented, externally focused with stability, control, competition, task and goal accomplishment. It is characterized by productivity, consistency, results, bottom line, clarity about customers and a sense of external mission combined with control (Cameron and Quinn, 2006). Kim and Chang (2018), Sanchez-Baez, Fernandez-Serrano and Romero (2019) and Khedhaouria et al. (2020) found that market culture promotes the innovative performance in the sense that since it is result oriented and externally focused on competition, it drives businesses to be innovative in order to effectively compete in the market. Thus, we hypothesize that there is no significant relationship between market culture and innovative performance of SMEs in Abuja, Nigeria.

Theoretical Framework: Competing Values Framework (CVF)

Quinn and Rohrbaugh (1983) developed the CVF taxonomy as a paradigm for organizational research, and it has since become one of the most popular models of organizational culture (Cameron & Quinn, 2006). The competing values framework is “an organizing taxonomy to meta-analytically test hypotheses about the relationship between culture types and organizational effectiveness”

(Hartnell, Ou & Kinicki 2011), and it includes an evaluation instrument called the Organizational Culture and Assessment Instrument (OCAI), which can be used to assess organizational culture (Cameron & Quinn, 2011). Several studies have suggested that this tool can be used to assess organizational culture and effectiveness (Berkemeyer, Junker, Bos, & Müthing 2015; Shiflett 2014). As a result, the competing values paradigm offers a useful theoretical framework for SMEs to discover organizational approaches. The theory of organizational culture by Cameron and Quinn (2011) clearly identified four types of culture that exists in an organization and the how they contribute to organizational performance. They further developed instrument for assessing the type of culture that is instituted in an organization. The framework on which the process is built is relatable and backed up by an extensive empirical literature and underlying dimensions that have a verified scholarly foundation. It is on this note that we adopt the Camron and Quinn's (2011) organizational culture theoretical framework for this study.

Empirical Review and Hypotheses Development

Empirical study has yielded a plethora of results illustrating the significance of organizational culture in improving organizational efficiency because it increases continuity in the performance efforts (Joseph & Kibera 2019); these scholars thus support the existence of positive relationship between organizational culture and performance. For instance, in a study carried out by Poku, Owusu-Ansah and Zakari (2013) using the Denison's Organisational Model to examine the relationship between organizational culture and performance in Ghana, the finding revealed that the correlation between organizational culture and performance of banking industry in Ghana is positive. Likewise, the study by Ahmed and Shafiq (2014) examined the impact of organizational culture on organizational performance in different Bahawalpur based franchises of telecom companies, Pakistan and reported a positive relationship between the different dimension of culture and the perspectives of organizational performance used in the study. The findings of the study carried out by Khedhaouria et al. (2020) which supported adhocracy and market culture as the type of culture that supports the performance of small firm in Tunisia. The study mobilized the competing values framework (CVF) to examine the relationships between key dimensions of organizational culture (i.e., adhocracy, clan, hierarchy, and market) and Entrepreneurial Orientation (EO) (i.e., innovativeness, risk-taking, and proactiveness) and their effects on the performance of small firms. The study of 106 small Tunisian firms provides empirical evidence for the mediating role of EO, through which adhocracy and market cultures influence small-firm performance by fostering innovative and proactive behavior.

Clan culture is internally focused with flexibility and discretion. It is characterized by a sense of cohesion, strongly shared goals and involvement of all employees (Cameron and Quinn, 2006). A clan culture has been suggested to be a driver of small-firm through innovativeness, risk-taking and proactiveness. This notion is supported by the findings of Kim and Chang (2018), Chatterjee, Pereira and Bates (2018) and Jospheh and Kibera (2019). Consequently, this study will assess the relationship between clan culture and the innovative performance of SMEs in Abuja, Nigeria.

H0₁: There is no significant relationship between Clan culture and the innovative performance of SMEs in Abuja.

Market culture is result oriented, externally focused with stability, control, competition, task and goal accomplishment. It is characterized by productivity, consistency, results, bottom line, clarity about customers and a sense of external mission combined with control (Cameron and Quinn, 2006). Kim and Chang (2018), Sanchez-Baez, Fernandez-Serrano and Romero (2019) and Khedhaouria et al. (2020) found that market culture promotes the innovative performance in the sense that since it is result oriented and externally focused on competition, it drives businesses to be innovative in order to effectively compete in the market. Thus, we aim to determine the relationship between market culture and the innovative performance of SMEs in Abuja, Nigeria.

H0₂: There is no significant relationship between market culture and the innovative performance of SMEs in Abuja.

Commonly, organizational culture starts with adhocracy culture which is characterized with low power distance values. However, as the organization begins to grow, it sets guide, control and the direction it intends to follows. These guide, control and direction come in form of strategic structures, policies, planned activities and how they intend to achieve them, line of authority and reporting structure among others. Subsequently, the power distance values will be high due to growth and establishment line of authority. This type of culture is presumed to be entrepreneurial oriented because it facilitates proactiveness, innovative and risk taking behaviour (Naranjo-Valencia 2017a, 2017b). Therefore, we hypothesized to identify the relationship between adhocracy culture and the innovative performance of SMEs in Abuja, Nigeria.

H0₃: There is no significant relationship between adhocracy culture and the innovative performance of SMEs in Abuja

A hierarchical culture is oriented towards regulation, focusing on effectiveness and 'doing things right' (Cameron and Quinn, 2006). According to Tian, Deng, Zhang and Salmador (2018), 'internally orientated governance and practice' may slow risk-taking and idea generation, which may hamper innovation. Therefore, innovation requires reducing control and regulation. In addition, both Kim and Chang (2018) and Khedhaouri et al. (2020) found that hierarchical culture may negatively impact innovativeness, risk-taking and proactiveness. It is on this bases that we aim to determine the relationship between hierarchical culture and the innovative performance of SMEs in Abuja, Nigeria.

H0₄: There is no significant relationship between hierarchical culture and the innovative performance of SMEs in Abuja.

Research Methodology

Research Design

The study specifically assesses the influence of organisational culture on the performance of Small and Medium Enterprises (SMEs) in Abuja-FCT, Nigeria. Thus, cross-sectional survey research design was employed and data was generated through structured questionnaire which was administered to the study population comprising of all SMEs that operates in FCT, Abuja.

Population and Sample

The estimated study population is 2,690. This was drawn from registered SMEs data as provided by Small and Medium Enterprise Development Agency of Nigeria (SMEDAN). We sent out links for the questionnaire to the registered SMEs using SurveyMonkey - an online survey software platform.

To ensure that expected participants have a good understanding of the questionnaire, we conducted a pilot study with ten members SMEDAN who were asked to answer the initial questionnaire and provide feedback. The questions were reviewed and reformulated based on the feedback. This helped to improve the quality of the questions which was later administered online.

Slovin's formula was adopted in determining the sample size. Pawirosumarto et al. (2017) in its study on the influence of organizational culture on the performance of employees of the University of Mercu Buana Indonesia found the formula suitable for similar studies. Stratified sampling technique was subsequently was adopted to determine the participant of 150 SMEs across the six (6) Area council in Abuja while close-ended questionnaire was used to collect data.

Model Specification

Model specification in Figure 3 showed the relationship between the independent variable OC and its proxies which form the basis of hypotheses for the study and its relationship with innovative performance of SME which is also controlled by firm age and size.

The firm age forms the basis of experience gathered by SMEs and how the particular culture instituted in the firm is able to help facilitate innovative performance in terms of proactiveness, creativity and risk taking ability of the firm. On the other hand, the firm size focused on the staff strength to give validity to responses received in terms of the type of culture that is instituted in the firm.

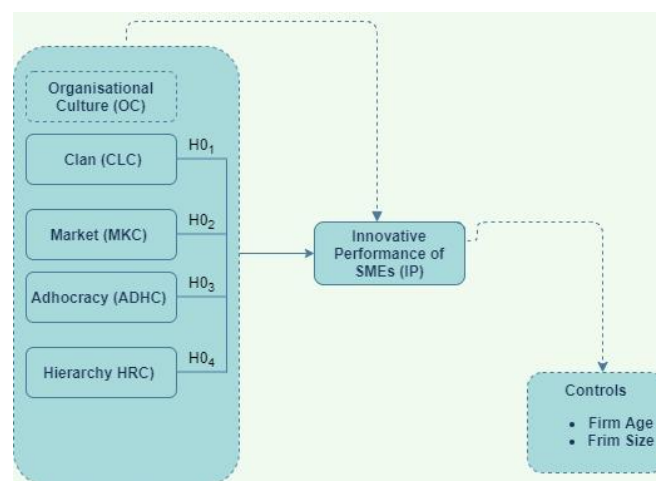


Figure 3: Research Model, Author's compilation

Data Analysis and Hypotheses Testing

Descriptive statistics such as frequency distribution and figures were used to analyze participants' demographic characteristics such as number of employees, years of work experience while Pearson Product Moment Correlation analysis was used to test the hypotheses with the aid of the IBM statistical package for social sciences (SPSS 20).

Our research model has two constructs which is Organisational Culture (OC) and Innovative Performance (IP). OC was measured with four sub-dimensions with each having five criteria to determine the type of OC that exists using a five-point Likert scale (from SD-strongly disagree to SA-strongly agree) as suggested by Cameron and Quinn (2011). The second sub-dimension IP was measured with seven items to determine the proactiveness, creativity and risk-taking ability of the firm. The sub dimensions for OC are Clan Culture (CLC), Market Culture (MKC), Adhocracy Culture (ADHC), and Hierarchy Culture (HRC).

The questionnaire was subjected to a reliability test and the result revealed that Innovative performance has a reliability scale of 0.791, clan culture has a reliability scale of 0.742, market culture has a reliability scale of 0.713, adhocracy culture has a reliability scale of 0.723 and hierarchy culture has a reliability scale of 0.846, the control variable firm age (FA) has a reliability scale of 0.874 and firm size (FS) 0.851 as shown in table 1 below.

Table 1: Reliability Test

Variable	Number of Items	Cronbach Alpha
IP	7	0.791
CLC	5	0.742
MKC	5	0.713
ADHC	5	0.723
HRC	5	0.846
FA	1	0.874
FS	1	0.851

Authors' compilation, 2021

One hundred and fifty copies of questionnaire were sent out and one hundred and twenty-seven (127) copies were filled correctly and hence used for analysis. The response rate is thus 84.67%. The number of employees of the respondents' business shows that 37% of the respondents have less than 10 employees, 56% of the respondents have 10 to 51 employees and 7% of the respondents have 51 - 100 employees. This implies that most of the respondents constituting 93% have employees between 1-50, thus operating either a micro or small enterprise. This is represented in table 2 below.

Table 2: Number of Employees

Percentage of Respondent (%)	Number of Employees
37	>10
56	10-51
93	51-100

On the number years in business, Table 3 indicates that (4.3%) of the respondents have been in business for less than a year, 39.4% of the respondents have been in business between 1 to 5 years, 26.4% have been doing business between 6 to 10 years, and 29.9% have been in business for over 10 years. This implies that most of them have gathered a lot of experience in managing their businesses due to the fact that they have been in business for more than a year.

Table 3: Number of Years in Business

Percentage of Respondent (%)	Number of Years in Business (Years)
4.3	>1
39.4	1-5
26.4	<10

Pearson Product Moment Correlation is a technique that shows the relationship between two variables. To evaluate the relationship between the independent variable (clan culture, market culture, adhocracy culture and Hierarchy culture) and dependent variables (Innovative performance of SMEs in Abuja) and to test the hypotheses, the Pearson coefficient was used, and the result is shown in table 4 below:

Table 4: Correlation Table

		CLC	MKC	ADHC	HRC	IP
CLC	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	127				
MKC	Pearson Correlation	.380**	1			
	Sig. (2-tailed)	.000				
	N	127	127			
ADHC	Pearson Correlation	.566**	.207*	1		
	Sig. (2-tailed)	.000	.020			
	N	127	127	127		
HRC	Pearson Correlation	.636**	.276**	.664**	1	
	Sig. (2-tailed)	.000	.002	.000		
	N	127	127	127	127	
IP	Pearson Correlation	.616**	.514**	.604**	.784**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	127	127	127	127	127

** . Correlation is significant at the 0.01 level (2-tailed).

Discussion of Findings

H0₁: There is no significant relationship between Clan culture and the innovative performance of SMEs in Abuja

From table 2 above, the result of the Pearson correlation revealed that the coefficient between clan culture (CLC) and Innovative performance (IP) is 0.616 with significance value of 0.000 indicating that a positive relationship exists between CLS and SMEP. This implies an increase in clan culture will lead to an increase in innovative performance of SMEs by 61.6% and the relationship is significant at 99% confidence interval. Clan supports speedy adjustment by SMEs to external environment, hence influencing innovative performance. The result is in support of Chatterjee et al. (2018) and Kim and Chang (2018).

H0₂: There is no significant relationship between market culture and the innovative performance of SMEs in Abuja

From table 2 above, the result of the Pearson correlation revealed that the coefficient between market culture (MKC) and Innovative performance (IP) is 0.514 with significance value of 0.000 indicating that a positive relationship exists between MKC and IP. This implies an increase in market culture will lead to an increase in innovative performance of SMEs by 51.4% and the relationship is significant at 99% confidence interval. The result is in agreement with the findings of Khedhaouria et al. (2020) which supported market and adhocracy culture as the type of culture that supports the performance of small firm in Tunisia.

H0₃: There is no significant relationship between adhocracy culture and the innovative performance of SMEs in Abuja

Looking at the relationship between adhocracy culture and innovative performance, the coefficient is 0.604. This also a positive relationship between adhocracy culture and innovative performance. This implies that an increase in adhocracy culture will lead to an increase in innovative performance by 60.4% and the relationship is also significant at 99% confidence interval. The findings corroborate to the findings of Joseph and Kibera (2019).

H0₄: There is no significant relationship between hierarchical culture and the innovative performance of SMEs in Abuja

From table 2 above, the result of the Pearson correlation revealed that the coefficient between Hierarchy culture (HRC) and innovative performance (IP) is 0.784 with significance value of 0.000 indicating that a positive relationship exists between HRC and IP. This implies an increase in hierarchy culture will lead to an increase in innovative performance of SMEs by 78.4% and the relationship is significant at 99% confidence interval. The finding is in agreement with Asif and Sajjad (2018).

Among the four types of cultures adopted from Cameron and Quinn's (2011) model of organizational culture types, hierarchy culture was found to have the highest correlation coefficient (r = 0.784), it is thus considered as the type of culture that will promote innovative performance among SMEs in Abuja than the other types of culture. This is different from the notion posited by Cameron and Quinn (2011) as adhocracy culture is said to be the type of culture that promotes innovative performance in the work place.

However, the result of the study which showed Hierarchy culture as one to stimulate innovative performance may be influenced by the national culture that is obtainable in Nigeria. This type of culture is typified with well-versed procedures and processes that guide people of the organization or country on what to do and how to do. Therefore, to improve innovative performance of SMEs, entrepreneurs should be good organizers and efficiency experts in addition to setting formal rules and policies that will bind the organization together.

Conclusions

The need to study SME innovative performance was necessitated by the importance of SME to Nigeria economy. From the study, it was concluded that the type of culture that is produced in a company determines its ability to boost its performance; that is to say that organizational culture can increase the innovative performance of SMEs through integration of common values, ideologies and standards, which in turn help form the ways in which organizational members communicate and engage. From the empirical result, the study concludes that all the dimensions of organizational culture (clan culture, market culture, adhocracy culture and Hierarchy culture) are significantly related to SME performance with hierarchy culture being the culture that SMEs should embrace more in order to promote innovative performance. Based on the findings, the study recommends that:

- I. SME owners should accommodate for more of clan culture which deals with flexibility, internal control and integration. Employees should be encouraged to share their views on issues in the business. This will enhance teamwork, boost employee participation, and organizational responsibility to employees and in turn lead to increased performance.
- II. For SMEs to maintain market culture, they need to consistently scan their external environment with the aim of ascertaining strategies that can be deployed to gain competitive advantage in the market and in line with global best practices. The owners of SMEs should consider hiring market experts to gather data on an ongoing basis on strategies that effectively promote competition.
- III. Adhocracy culture which encourages leadership and management styles that contribute to entrepreneurship performance in terms of risk-taking and innovation should be fostered among employees in SMEs.
- IV. Most importantly for innovative performance, entrepreneurs and SMEs owners should ensure that all new employees receive a formal briefing on the company's traditions, beliefs, vision, and strategies. They should create and print a common set of procedures and policies to promote seamless discharge of duties and responsibilities in such a way that will foster innovative performance in the work place.

The study focused on the impact of organizational culture on the performance of selected Small and Medium Enterprises (SMEs) in Abuja. SMEs comprises of various sectors to include the manufacturing, pharmaceuticals, education as well as the service sector. Further studies can thus be conducted in any of these sectors for a deeper understanding of the importance of organizational culture on the performance of organizations rather than the umbrella of the SMEs. In additions, there are other dimensions of organizational culture that can be studied such as the Dennison's dimension.

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