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Examining the Impact of Organisational Culture on Employee Performance in SMEs in Enugu State, Nigeria

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Abstract

This study examines the impact of organisational culture on employee performance in Small and Medium-Sized Enterprises (SMEs) in Enugu State, Nigeria. Specifically, the study investigates how the dimensions of organisational culture that encompass proactiveness, innovation, alignment, and accountability relate to employee performance outcomes, including engagement, creativity, goal realisation, and organisational success. Quantitative data were collected from 173 respondents across selected SMEs using a structured questionnaire. Descriptive statistics and ordinal logistic regression were employed for data analysis. The findings reveal that a proactive culture significantly enhances employee engagement, cultural alignment positively influences goal realisation, an innovation-orientated culture promotes creativity, and an accountability-driven culture strongly supports organisational success. The study concludes that organisational culture is a critical driver of SME performance in Enugu State and recommends that SME owners and managers deliberately cultivate proactive, innovative, aligned, and accountable cultures to improve employee outcomes and overall competitiveness.

Keywords: Organisational Culture, Employee Performance, SMEs, Nigeria

Introduction

Small and medium-sized enterprises (SMEs) are central to Nigeria's economic development, serving as vital drivers of employment generation, innovation, and inclusive growth. In Enugu State, located in southeastern Nigeria, SMEs dominate key sectors such as retail, manufacturing, agriculture, and services, thereby contributing significantly to poverty reduction and regional development (Oyelaran-Oyeyinka & Adegbite, 2020). According to the National Bureau of Statistics (2022), SMEs account for approximately 48% of national employment and 7.3% of Nigeria's gross domestic product (GDP), with over 15,000 registered SMEs operating in Enugu State. Despite their entrepreneurial dynamism and adaptability, these enterprises face persistent challenges, including limited access to finance, inadequate infrastructure, and internal organisational factors—particularly organisational culture—which substantially influence employee performance and overall organisational effectiveness (Eze & Adebayo, 2025).

Organisational culture refers to the shared values, beliefs, norms, and practices that shape employee behaviour and workplace interactions (Schein, 2021). It constitutes a critical determinant of employee performance in SMEs by fostering commitment, motivation, and productivity, especially in highly competitive and resource-constrained environments. For

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example, a retail SME operating in Ogbete Market may promote a customer-oriented culture that empowers employees to respond promptly to consumer needs, thereby enhancing customer satisfaction and sales. Similarly, manufacturing firms in the Emene industrial hub may cultivate innovation-driven cultures that encourage employees to develop cost-effective production methods, strengthening market competitiveness (Siregar et al., 2025). In contrast, weak or poorly aligned organisational cultures often result in low morale, disengagement, and reduced efficiency, ultimately undermining organisational sustainability (Isensee et al., 2020).

The impact of organisational culture on employee performance operates through several interrelated mechanisms, including motivation, communication patterns, leadership support, and work environment design. Cultures that encourage open communication and recognize employee contributions tend to enhance intrinsic motivation, job satisfaction, and productivity (Amah, 2020). In Enugu State, where SMEs operate within contexts of economic uncertainty, fluctuating market conditions, and infrastructural limitations, effective organisational culture becomes essential for maximizing human capital, which often represents the primary asset of these enterprises. Furthermore, the socio-cultural environment of Enugu, shaped largely by Igbo collectivist values emphasizing communal support, cooperation, and entrepreneurship, significantly influences workplace relationships and managerial practices (Hofstede, 2021).

Empirical evidence from both global and Nigerian contexts highlights the strategic importance of organisational culture in SME performance. Bhatti et al. (2020) demonstrated that entrepreneurial and capability-oriented cultures significantly enhance performance in Pakistani SMEs, a context comparable to Nigeria's resource-constrained business environment. Similarly, Li et al. (2020) found that organisational culture mediates the relationship between total quality management and organisational performance in Nigerian firms, emphasizing its role in promoting efficiency and innovation. Akinsola et al. (2023) further observed that supportive organisational cultures strengthen innovation outcomes among Lagos-based SMEs. However, most existing studies concentrate on major urban centres such as Lagos or adopt generalized perspectives, with limited attention to Enugu State, where distinct cultural and economic conditions shape organisational practices.

Enugu's SME sector is highly diversified, encompassing textile manufacturing, food processing, retail trading, consultancy services, and agricultural enterprises. These businesses operate across major commercial zones such as Ogbete Market, Independence Layout, and the Emene industrial area. Retail SMEs benefit from high consumer patronage, manufacturing firms produce plastics, beverages, and construction materials, agricultural SMEs engage in crop and poultry processing, while service-oriented enterprises provide hospitality, information technology, and consultancy services (Oyelaran-Oyeyinka & Adegbite, 2020). Despite their substantial contributions to economic development, many of these enterprises continue to struggle with internal management challenges, particularly in harnessing organisational culture to improve employee performance and competitiveness.

The collectivist orientation of Igbo culture encourages teamwork, loyalty, and mutual support within Enugu's SMEs; however, it may sometimes conflict with contemporary management practices that emphasize innovation, autonomy, and performance accountability. For instance, rigid hierarchical structures in some enterprises may limit employee initiative and creativity, thereby reducing engagement and productivity (Hofstede, 2021). In response to these challenges, this study investigates the influence of four key cultural dimensions—proactiveness, innovation orientation, cultural alignment, and accountability—on employee performance in SMEs in Enugu State. By providing empirical evidence within this regional context, the study aims to generate

practical insights for SME owners, managers, and policymakers, thereby strengthening organisational culture, enhancing workforce productivity, and supporting sustainable economic development in Enugu State (Kannan & Gambetta, 2025).

Literature Review

Theoretical Framework

Job Demands-Resources Model

The Job Demands-Resources (JD-R) model, proposed by Bakker and Demerouti (2007), explains how workplace factors influence employee performance through two categories: job demands (e.g., workload, time pressure) and job resources (e.g., autonomy, support). A supportive organisational culture acts as a job resource, mitigating the negative effects of demands and enhancing performance through increased engagement and motivation. The model posits that resources foster a motivational process, leading to positive outcomes like productivity and commitment, while excessive demands can cause strain and burnout.

In Enugu State's SMEs, the JD-R model is highly relevant due to the high demands placed on employees, such as meeting tight deadlines or serving demanding customers with limited resources (Oyelaran-Oyeyinka & Adegbite, 2020). A proactive culture, for example, provides resources like autonomy, enabling employees to manage demands by taking initiative, thus enhancing engagement. Similarly, an innovation-oriented culture offers resources such as creative freedom, supporting employees' ability to devise solutions under pressure, which boosts creativity (Hypothesis 3). For instance, a service SME in Enugu might provide training as a resource, helping employees handle customer complaints innovatively. The JD-R model's strength lies in its applicability to diverse work settings, including SMEs, where resources are scarce but critical for performance. In Enugu, a supportive culture can buffer demands like economic uncertainty, fostering resilience and goal realisation. By framing organisational culture as a resource, the JD-R model provides a theoretical basis for understanding how cultural dimensions enhance performance in resource-constrained SMEs (Bakker & Demerouti, 2007).

Proactive Behaviour Theory

Proactive Behaviour Theory, developed by Crant (2000), posits that employees who exhibit proactive behaviours such as taking initiative, anticipating problems, and shaping their work environment achieve higher performance outcomes. A proactive organisational culture encourages these behaviours by empowering employees, providing autonomy, and rewarding initiative. This theory is particularly relevant for SMEs, where flexibility and quick decision-making are essential for competitiveness. In Enugu State, a proactive culture is critical for SMEs facing market volatility and resource limitations. For example, employees in a retail SME might proactively adjust inventory based on seasonal demand, improving sales performance and engagement. Proactive Behaviour Theory aligns with the study's focus on a proactive culture, which fosters employees' ability to anticipate customer needs or streamline operations, enhancing performance in dynamic environments (Crant, 2000). In a manufacturing SME, proactive employees might suggest process improvements, reducing costs and supporting organisational success. The theory's emphasis on individual agency within a supportive culture makes it suitable for Enugu's SMEs, where employees often work in small teams with direct access to decision-makers. By cultivating a proactive culture, SMEs can enhance engagement and adaptability, key drivers of performance in Nigeria's challenging economic landscape (Nwankwo & Okeke, 2017). This theory provides a framework for exploring how proactive behaviours, nurtured by culture, contribute to the study's hypothesized outcomes.

Organisational Culture and Employee Performance

The relationship between organisational culture and employee performance is a central focus of organisational research, particularly in SMEs where cultural influences are immediate and pronounced due to smaller team sizes and direct leadership interactions. A positive organisational culture acts as a catalyst for performance by fostering an environment that motivates employees, aligns their efforts with organisational goals, and encourages innovation (Cameron & Quinn, 2011). Conversely, a weak or misaligned culture can lead to low morale, reduced productivity, and high turnover, which are particularly detrimental in resource-scarce SMEs.

In Enugu State, organisational culture influences performance through mechanisms such as motivation, communication, and accountability. For instance, a proactive culture empowers employees to anticipate market needs, such as adapting products to local tastes, thereby enhancing customer satisfaction and sales performance (Crant, 2000). An innovation-oriented culture encourages employees to develop creative solutions, such as new marketing strategies, which can differentiate SMEs in competitive markets (Amabile, 1996). Cultural alignment ensures that employees' personal values and work efforts are synchronized with organisational objectives, improving goal attainment, while an accountability culture reinforces responsibility, reducing errors and boosting efficiency (Hall & Ferris, 2019).

Empirical studies in Nigeria support this relationship. Nwankwo and Okeke (2017) found that SMEs with collaborative and adaptive cultures exhibit higher employee performance, as employees feel valued and motivated. Similarly, Olanipekun and Etuk (2015) demonstrated that a supportive culture enhances productivity in Nigerian SMEs by fostering trust and commitment. In Enugu State, where SMEs face challenges like limited access to finance and market volatility, a strong culture can mitigate these constraints by optimizing human capital, making this relationship a critical area of investigation. These indicators are critical for SMEs, as they provide tangible measures to assess cultural strength and its influence on performance. In Enugu State, where SMEs often operate informally, tracking these indicators can help owners identify cultural strengths and areas for improvement.

The conceptual framework provides a structured model to analyze the relationship between organisational culture and employee performance in small and medium-sized enterprises (SMEs) in Enugu State, Nigeria. It posits organisational culture as the independent variable, influencing employee performance (dependent variable) through four key dimensions: proactive culture, innovation-oriented culture, cultural alignment, and accountability culture. These dimensions are hypothesized to drive specific performance outcomes—employee engagement, creativity, goal realisation, and organisational success—respectively. The framework is grounded in the literature reviewed in section 2.1 and tailored to the resource-constrained and culturally diverse context of Enugu State's SME sector.

Proactive Culture and Employee Engagement

A proactive culture, characterized by initiative-taking and problem anticipation, is widely recognized as a driver of employee engagement, which enhances performance in SMEs. Bindl and Parker (2010) conducted a study on proactive work behavior in the United Kingdom, finding that employees in organizations with proactive cultures exhibited higher engagement levels due to increased autonomy and ownership. Their research showed that proactive employees were more likely to go beyond their job requirements, contributing to organizational goals through innovative problem-solving and adaptability. This is particularly relevant for SMEs, where flexibility is critical for responding to market changes.

In Nigeria, Nwankwo and Okeke (2017) investigated organisational culture in SMEs in Lagos

State, finding a significant positive correlation between proactive culture and employee engagement. Their study, involving 250 SME employees, revealed that organizations encouraging initiative such as allowing staff to address customer complaints proactively reported higher commitment and lower turnover rates. In Enugu State, similar dynamics are likely, as SMEs in retail markets like Ogbete rely on engaged employees to anticipate customer needs and maintain loyalty. These findings support Hypothesis 1: “There is a significant relationship between a proactive organisational culture and employee engagement” (section 1.5), suggesting that a proactive culture fosters engagement in Enugu’s SMEs, enhancing performance in resource-constrained settings.

Organisational Culture and Innovation

An innovation-oriented culture, which encourages creativity and risk-taking, significantly enhances employee performance by fostering novel solutions and competitive advantages. Eneh (2012) examined innovation in Nigerian enterprises, focusing on SMEs in the southeast, including Enugu State. The study found that organizations with cultures supporting experimentation and idea-sharing achieved higher innovation outputs, such as new product designs and process improvements. For example, SMEs in Enugu’s manufacturing sector that encouraged employees to experiment with local raw materials reported cost reductions and improved market positioning, directly impacting performance.

Globally, Amabile et al. (1996) conducted a multi-industry study in the United States, demonstrating that innovation-oriented cultures increased employee creativity by providing resources like time for experimentation and recognition for creative contributions. Their findings highlighted that such cultures were particularly effective in dynamic environments, a characteristic shared by Enugu’s SME sector, where businesses must adapt to economic fluctuations and consumer trends. These studies align with Hypothesis 3: “There is a positive relationship between an innovation-oriented culture and employee creativity” (section 1.5), underscoring the importance of an innovation-driven culture for enhancing performance in Enugu’s SMEs through creative outputs.

Organisational Culture and Resource Utilization

Effective resource utilization is critical for SMEs, where limited assets must be optimized to achieve performance goals. A strong organisational culture, particularly one that promotes proactiveness and innovation, enhances resource efficiency. Oyelaran-Oyeyinka and Adegbite (2020) studied SMEs in Nigeria, including Enugu State, and found that cultures encouraging proactive and innovative behaviors led to better utilization of human and material resources. Their research showed that SMEs with engaged employees who took initiative in streamlining processes such as optimizing inventory in retail or reducing waste in manufacturing achieved higher productivity and cost savings.

Internationally, Denison and Mishra (1995) explored organizational culture and effectiveness in U.S.-based firms, finding that adaptive cultures improved resource utilization by fostering employee commitment and flexibility. In Enugu State, where SMEs face financial constraints, a culture that encourages employees to use resources efficiently (e.g., adopting energy-saving techniques in production) is vital for performance. While not directly tied to a specific hypothesis, this dimension supports the broader conceptual framework (section 2.2), as resource utilization is an implicit outcome of proactive and innovative cultures, enhancing overall employee performance in Enugu’s SMEs.

Organisational Culture and Cultural Alignment

Cultural alignment, where organizational values and employee goals are synchronized, is essential for goal realisation and performance in SMEs. Onah and Anikwe (2016) conducted a study on leadership and performance in Nigerian manufacturing firms, including SMEs in Enugu State, and found that cultures with clear goal communication and value congruence improved employee performance. Their research indicated that employees who understood and shared the organization's mission such as a retail SME's focus on customer satisfaction were more likely to achieve performance targets, supporting Hypothesis 2: "A significant relationship exists between cultural alignment and goal realisation" (section 1.5).

Globally, Cameron and Quinn (2011) examined cultural alignment in organizations across multiple sectors, finding that aligned cultures enhanced performance by reducing conflicts and focusing employee efforts on shared objectives. In Enugu State, cultural alignment is critical for SMEs with diverse workforces, where differing personal values (e.g., due to ethnic diversity) could disrupt performance. For instance, a service SME aligning its customer-centric values with employees' career aspirations fosters goal realisation, enhancing performance. These findings highlight the role of cultural alignment in driving SME success in Enugu's competitive environment.

Organisational Culture and Accountability

An accountability culture, which emphasizes responsibility and performance monitoring, significantly enhances organizational success and employee performance. Okoye and Ezejiofor (2013) studied human resource development in Nigerian SMEs, including those in Enugu State, and found that cultures with clear role definitions and regular feedback improved employee accountability, leading to higher productivity and customer satisfaction. Their study of 200 SME employees showed that accountability mechanisms, such as performance reviews, reduced errors and enhanced reliability, supporting Hypothesis 4: "A positive relationship exists between a culture of accountability and organisational success" (section 1.5).

Internationally, Hall and Ferris (2019) investigated accountability in U.S. organizations, finding that cultures with strong accountability practices increased employee performance by fostering trust and responsibility. In Enugu State, where SMEs often operate in competitive markets, an accountability culture ensures that employees meet standards, such as delivering quality products in manufacturing or timely services in hospitality. For example, a retail SME implementing weekly sales reviews can hold staff accountable, driving performance and success. These studies underscore the importance of accountability in enhancing SME performance in Enugu.

Organisational Culture and Employee Performance

The overall impact of organisational culture on employee performance integrates the effects of its dimensions proactiveness, innovation, alignment, and accountability. Uchenwamgbe (2013) examined leadership and performance in Nigerian SMEs, including Enugu State, and found that a positive organisational culture significantly enhanced employee performance across sectors. The study, involving 150 SME employees, showed that cultures fostering engagement, creativity, and accountability led to higher productivity, quality, and goal attainment, supporting the study's broad objective to examine organisational culture's effect on performance. Globally, Schein (2010) conducted a longitudinal study on organizational culture, finding that cultures aligned with employee needs and organizational goals improved performance by enhancing motivation and collaboration. In Enugu State, SMEs with supportive cultures—such as a retail business encouraging teamwork or a manufacturing firm rewarding innovation—achieve better performance outcomes. For instance, a service SME with a culture of accountability and

alignment might see improved customer retention due to consistent employee performance. These findings validate the study's conceptual framework (section 2.2) and highlight the need for further research in Enugu's SME context.

Methodology

This study adopts a cross-sectional survey design to examine the relationship between organizational culture and employee performance in small and medium-sized enterprises (SMEs) in Enugu State, Nigeria. The research was conducted in Enugu State, a major commercial hub in southeastern Nigeria, renowned for its vibrant SME sector. The study population comprises employees of selected registered SMEs operating within the state. Through preliminary field visits and surveys, ten registered SMEs located in Enugu metropolis were identified for the study. Using the Taro Yamane formula, a sample size of 173 respondents was determined and proportionately selected from the identified SMEs.

Results

Hypothesis 1: *There is no significant relationship between proactive organisational culture and employee engagement in SMEs in Enugu State.*

Table 1 Regression Analysis

Step	-2 Log likelihood	Cox & Snell R Square		Nagelkerke R Square			
1	215.738	0.075		0.103			
	Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	Proactive Culture	1.247	0.341	13.376	1	0.000	3.479
	Constant	-0.892	0.287	9.674	1	0.002	0.409

The logistic regression results indicate a statistically significant relationship between proactive organisational culture and employee engagement ($p < 0.001$, Wald = 13.376). The model correctly classifies 76.3% of cases, while the Nagelkerke R^2 value of 0.103 suggests a moderate effect size. The odds ratio ($\text{Exp}(B) = 3.479$) implies that employees in proactive organisational cultures are approximately 3.48 times more likely to exhibit high levels of engagement.

Hypothesis 2: *There is no significant relationship between cultural alignment and goal realisation in SMEs in Enugu State.*

Table 2 Regression Analysis

Step	-2 Log likelihood	Cox & Snell R Square		Nagelkerke R Square			
1	212.516	0.092		0.126			
	Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	Cultural_Alignment	1.398	0.356	15.412	1	0.000	4.047
	Constant	-1.125	0.301	13.967	1	0.000	0.325

Cultural alignment demonstrates a statistically significant positive relationship with goal realisation ($p < 0.001$, Wald = 15.412). The model achieves a classification accuracy of 78.9%, while the Nagelkerke R^2 value of 0.126 indicates a moderate effect size. The odds ratio ($\text{Exp}(B) = 4.047$) suggests that SMEs with strong cultural alignment are approximately 4.05 times more likely to achieve their goals effectively.

Hypothesis 3: *There is no significant relationship between innovation-oriented culture and employee creativity in SMEs in Enugu State.*

Table 3 Regression Analysis

Step	-2 Log likelihood	Cox & Snell R Square			Nagelkerke R Square		
1	227.062	0.068			0.091		
	Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	Innovation Culture	1.128	0.327	11.892	1	0.001	3.089
	Constant	-0.756	0.274	7.613	1	0.006	0.469

An innovation-oriented culture shows a statistically significant positive relationship with employee creativity ($p = 0.001$, Wald = 11.892). The model correctly predicts 73.4% of cases, while the Nagelkerke R^2 value of 0.091 indicates a modest effect size. The odds ratio (Exp(B) = 3.089) suggests that employees in innovation-oriented cultures are approximately 3.09 times more likely to demonstrate high levels of creativity.

Hypothesis 4: *There is no significant relationship between culture of accountability and organisational success in SMEs in Enugu State.*

Table 4 Regression Analysis

Step	-2 Log likelihood	Cox & Snell R Square			Nagelkerke R Square		
1	209.453	0.109			0.149		
	Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	Accountability_Culture	1.567	0.367	18.247	1	0.000	4.793
	Constant	-1.289	0.318	16.437	1	0.000	0.275

An accountability culture demonstrates the strongest relationship with organisational success ($p < 0.001$, Wald = 18.247). The model achieves the highest classification accuracy at 80.9%, while the Nagelkerke R^2 value of 0.149 indicates a moderate effect size. The odds ratio (Exp(B) = 4.793) suggests that SMEs with strong accountability cultures are approximately 4.79 times more likely to achieve organisational success.

Discussion of Findings

The findings reveal significant relationships between all four cultural dimensions and their respective performance outcomes in SMEs operating in Enugu State. The results align with contemporary organizational behavior literature, particularly Schein and Schein's (2017) cultural framework and recent empirical studies on SME performance dynamics. Proactive organisational culture demonstrated significant positive correlation with employee engagement ($p < 0.001$), supporting recent findings by Ahmed et al. (2023) who identified proactive leadership behaviors as key drivers of workforce engagement in emerging markets. The odds ratio of 3.479 suggests substantial practical significance, indicating that fostering initiative-taking and feedback mechanisms substantially enhances employee commitment levels. This finding corroborates Bakker and Albrecht's (2018) engagement theory, emphasizing the role of organizational

resources in driving employee involvement.

Cultural alignment emerged as a strong predictor of goal realisation with the highest odds ratio of 4.047, consistent with Cameron and Quinn's (2022) competing values framework. The 78.9% classification accuracy underscores the practical importance of value congruence in SME settings. This aligns with Hofstede et al. (2020) who emphasized cultural coherence as fundamental to organizational effectiveness. Recent studies by Williams and Brown (2024) in African SME contexts similarly found that clear value communication and goal-culture alignment significantly predicted performance outcomes.

Innovation-oriented culture showed significant but moderate relationship with employee creativity (Nagelkerke $R^2 = 0.091$), suggesting other factors also influence creative behaviors. The odds ratio of 3.089 supports Amabile and Kramer's (2021) componential theory of creativity, which posits that environmental support enhances intrinsic motivation for creative problem-solving. However, the moderate effect size aligns with recent meta-analyses by Chen and Liu (2023) indicating that innovation culture effects vary across organizational contexts and require complementary factors for maximum impact.

Accountability culture demonstrated the strongest relationship with organisational success (Nagelkerke $R^2 = 0.149$), achieving 80.9% classification accuracy. This finding strongly supports accountability theory (Frink & Klimoski, 2018) and recent empirical work by Thompson et al. (2024) who identified accountability systems as critical success factors in resource-constrained SME environments. The odds ratio of 4.793 represents the highest effect among all cultural dimensions, suggesting that clear responsibility structures provide fundamental scaffolding for SME performance.

The consistent significance across all hypotheses ($p < 0.001$ for three hypotheses, $p = 0.001$ for innovation culture) indicates robust relationships between cultural dimensions and performance outcomes. These findings contribute to growing literature on SME organizational dynamics in developing economies, particularly supporting the cultural contingency perspective advanced by Meyer et al. (2023) who argued that cultural interventions must align with local business contexts for optimal effectiveness.

Conclusion

The study conclusively demonstrates that organizational culture serves as a fundamental driver of performance outcomes in SMEs operating within Enugu State. The systematic examination of four cultural dimensions: proactive culture, cultural alignment, innovation orientation and accountability culture reveals consistent and significant relationships with their corresponding performance indicators. These findings provide empirical support for cultural contingency theory while offering practical insights for SME management in developing economy contexts. The research establishes that accountability culture exerts the strongest influence on organizational success, suggesting that clear responsibility structures, mistake correction mechanisms and leadership accountability create optimal conditions for SME performance. This finding has particular relevance for resource-constrained environments where efficient operation and clear role definition become critical success factors.

The high classification accuracy (80.9%) provides confidence in the practical applicability of these insights. Cultural alignment emerges as equally significant for goal realization, indicating that shared values and coherent organizational direction substantially enhance target achievement. The strong odds ratio (4.047) suggests that SMEs investing in value clarification and goal-culture integration are likely to experience marked improvements in performance outcomes. This finding reinforces the importance of deliberate culture-building initiatives in

SME settings. Proactive culture and innovation orientation, while demonstrating significant relationships with employee engagement and creativity respectively, show moderate effect sizes. This suggests that while these cultural dimensions contribute meaningfully to performance, they may require complementary organizational interventions to achieve maximum impact. The findings indicate that SME leaders should adopt integrated approaches combining multiple cultural interventions rather than focusing on single dimensions. The study contributes to organizational behavior literature by providing empirical evidence of culture-performance relationships in African SME contexts, addressing gaps identified in cross-cultural management research. The consistent significance across all cultural dimensions validates the universal relevance of organizational culture while highlighting context-specific variations in effect magnitudes.

Implications of Findings

SME leaders should establish clear responsibility matrices defining individual and team accountability for specific outcomes. Regular accountability reviews should be conducted monthly with documented corrective actions for performance gaps. Leadership accountability should be demonstrated through transparent decision-making processes and acknowledgment of mistakes. Training programs on accountability principles should be mandatory for all management levels to ensure consistent implementation across organizational hierarchy.

Organizations should conduct annual cultural assessment surveys to identify value-performance gaps and develop targeted intervention strategies. Leadership teams should articulate organizational values clearly through multiple communication channels including staff meetings, written policies and behavioral examples. Goal-setting processes should explicitly link individual and team objectives to broader organizational values, ensuring coherence between cultural principles and operational targets. Regular culture-reinforcement activities should be integrated into performance management systems.

Management should establish formal feedback mechanisms including monthly one-on-one meetings, quarterly team reviews and annual engagement assessments. Recognition systems should reward initiative-taking behaviors through both monetary and non-monetary incentives. Career development pathways should be clearly communicated with opportunities for advancement based on proactive contributions. Employee suggestion systems should be implemented with transparent evaluation processes and feedback on implementation decisions.

Physical and psychological environments should be designed to encourage creative thinking through flexible workspaces, collaboration areas and dedicated innovation time. Innovation training programs should be provided to enhance creative problem-solving skills and design thinking methodologies. Resources should be allocated for experimentation including innovation budgets, pilot project funding and failure tolerance policies. Cross-functional teams should be established to promote diverse perspectives and collaborative innovation approaches.

Suggestions for Further Studies

Future research should examine the mediating mechanisms through which organizational culture influences performance outcomes, particularly exploring psychological processes and behavioral pathways that explain culture-performance relationships. Longitudinal studies are needed to establish causal relationships and track cultural evolution over time, providing insights into the temporal dynamics of culture change in SME settings. Comparative studies across different geographical regions within Nigeria and other West African countries would enhance generalizability and identify regional variations in culture-performance relationships. Industry-specific investigations should be conducted to determine whether cultural effects vary across

different business sectors, particularly comparing service, manufacturing and technology-based SMEs. Mixed-methods research combining quantitative analysis with qualitative case studies would provide deeper insights into the mechanisms underlying successful cultural implementations. Action research approaches should be employed to test specific cultural intervention strategies, providing practical guidance for SME development programs.

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