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The effect of the Road Accident Fund's organisational culture on efficiency and performance

by

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ABSTRACT

This research contributes to the body of knowledge on the organisational culture of State-Owned Entities (SOEs), with the research setting being the Road Accident Fund (RAF). The purpose of the study is to investigate the effect of organisational culture on efficiency and performance within the SOE. This is important as SOEs are established to fulfil the delivery objectives of the state while contributing to the fiscus of the country. They are intended to add public value. The methodology applied in the study was a quantitative research approach, using a post positivist paradigm where 156 responses were obtained from employees at different levels at the RAF.

The results of the study showed that organisational culture factors such as uncertainty avoidance, customer focus and values system, employee empowerment and involvement and governance were good at the RAF, while innovation and technology, as well as rewards and recognition were low. Additionally, operational efficiency was seldom to sometimes in place at the RAF with only 5% indicating that operational efficiency was in place most of the time. Organisational culture factors, when assessed individually, influence operational efficiency, but when combined, innovation and technology is the main statistically significant predictor of operational efficiency. Furthermore, operational efficiency is a predictor of performance, in particular from the customer perspective, as well as the financial which is aligned to the SOE in terms of the purpose of the SOE which is to provide services to road accident claimants, their families and their representatives. The research may have been impacted by surrounding circumstances. Although assured of anonymity, some respondents may have not been completely certain that their identities and responses would remain anonymous. Recommendations in line with improvements in the rewards and recognition system, as well as technology and innovation, were made with the intention that if they are incorporated into the SOE's turnaround strategy, they will improve the organisational culture, operational efficiency and performance of the SOE.

Keywords: organisational culture, state owned entity, operational efficiency, customer perspective, financial performance

DECLARATION: PLAGIARISM

I certify that the research submitted by me for the degree Master of Business Administration at the University of the Witwatersrand (Business School) is my independent work. The research has not been submitted by me for a degree at another university.

_____

Thokozani Mayana

Protocol number: WBS/BA2441940/167

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ACRONYMS

CRM	Customer Relationship Management
GDP	Gross Domestic Product
NDP	National Development Plan
OECD	Organisation for Economic Co-operation and Development
PRASA	Passenger Rail Agency of South Africa
RAF	Road Accident Fund
SA	South Africa
SOE	State Owned Entity
TQM	Total Quality Management

CHAPTER 1: INTRODUCTION

1.1 Background and context of the study

Drucker (1974) stated that culture eats strategy for breakfast. This means that regardless of how effective the strategy of an organisation is, it is the culture of the organisation that ultimately determines organisational success (Kamaania, 2017). A poor organisational culture has the power to negatively affect an organisation's performance. Strong cultures can either enable or deter an organisation's ability to develop and implement effective strategies, depending on the compatibility of the organisational culture with the strategic objectives of the organisation (Bonn & Christodoulou, 1996). Gasela (2021) confirmed that this principle is applicable to State Owned Entities (SOEs).

SOEs play an important role in the countries in which they are operating in.They contribute to the world's Gross Domestic Product (GDP), through providing various employment opportunities (Peng et al., 2016). The performance of SOEs, both globally and locally, has however been poor and similar challenges are experienced (Gasela, 2021; Musanzikwa & Ramchander, 2018). On an international level, studies on SOEs have revealed that SOEs with a hostile organisational culture experienced challenges, such as high levels of political intervention, jealousy, negativity and high numbers of bullying incidents by management to employees (Lekgothoane et al., 2020). In instances where there was an organisational culture with no trust, this was found to have a negative impact on employee commitment and led to increased resignation rates as employees lacked organisational citizenship (Lekgothoane et al., 2020).

Studies have shown that factors contributing to poor performance in SOEs in China were the lack of ownership element and the non-profit motive behind SOE functioning (Xin et al., 2002). The solution devised in China was the privatisation of SOEs, adopting a culture of delegation of authority to more levels within the organisations and the introduction of accountability initiatives. This yielded positive results and improved organisational performance (Xin et al., 2002).

Research on SOEs within the African continent is arriving at similar conclusions. The failure of SOEs in Africa has been largely attributed to ineffective organisational culture (Rondinelli, 2005; Masuku, 2011). The general observation from studies of SOEs in Zimbabwe, is that SOEs are not performing well. Examples include Air Zimbabwe, Zimbabwe Electricity Supply Authority (ZESA) and the National Railways of Zimbabwe (Musanzikwa & Ramchander, 2018). In a study conducted on SOEs in Nigeria, it was found that improvements in organisational culture through the introduction of accountability initiatives and privatisation can reduce some of the failures of SOEs (Jerome, 2008). Although privatisation may have a positive impact on the performance of SOEs, literature is suggesting that improvements in culture such as implementing an ethical culture and good corporate governance may have a greater impact in SOEs being able to achieve their mandate (Vorster & Konstantipoulos, 2020). Over the years, the performance of SOEs in Namibia has gradually improved through the Namibian government acknowledging the importance in improving the values, norms, and efficiencies at the SOEs, therefore enhancing organisational culture (Schlettwein, 2010).

Literature on organisational culture suggests that a possible avenue for facilitating improvements in the sustainability of SOEs could be ethical and disciplined leadership, governance that promotes unity, empowerment of employees and working with a clear purpose, which are attributes of a positive organisational culture (Tkachenko, 2020). Improvements in organisational culture positively affect employee job satisfaction and increase employee commitment (Saks & Gruman, 2011). The presence of a positive organisational culture that allows employees to freely share information can assist an organisation to grow, especially in instances when employees feel that they are treated with respect and dignity by their employers (Saks & Gruman, 2011). Furthermore, improvements in performance can be achieved if decisions are made applying principles of integrity, accountability, competency, responsibility and transparency (Skae, 2017).

1.2 Conceptualisation of the study

The conceptualisation of this research provides the grounding plus highlighting the problem statement, the purpose of the study and the objectives of the study.

1.2.1 Problem Statement

The poor performance of SOEs and challenges of SOEs has attracted a lot of public, media and governmental attention even contributing to the instigation of the State Capture Inquiry (Madonsela, 2018). Some of the challenges experienced within SOEs range from poor governance and financial mismanagement (Phillip, 2020; Munduga, 2017). Even with government intervention through bailouts, SOEs are struggling with high deficits (Auditor General South Africa, 2021; Tshandu, 2018). The Road Accident Fund (RAF) is an SOE within the Department of Transport and experiences consistently poor financial performance (RAF, 2020). For years, the SOE has been performing on a technically insolvent status (RAF, 2020). The overall business performance, including financial and customer service challenges experienced at the RAF, are common within SOEs (Tkachenko, 2020) with operational efficiency being a possible driver of the poor performance (Thomas, 2012). Some of the efficiency challenges arising in SOEs are due to organisational culture related deficiencies (Sanusi & Pel, 2016) with challenges experienced in operational efficiency and business performance. This study sought to understand the state of the organisational culture in the SOE and whether it has a significant influence on the operational efficiency and business performance. Research has shown that moving from an organisational culture that is rigid, towards a culture that is innovative and flexible in the management of an SOE, can have a positive effect in efficiency and productivity (Parker & Bradley, 2000; Sanusi & Pel, 2016). This may entail efforts towards achieving a positive culture through ethical and disciplined leadership, promoting collaboration at all levels, empowerment of employees and working with a clear purpose. (Khoza et al., 2005; Edelmann et al., 2020; Kumar et al.,2017)

1.2.2 Purpose of the study

The purpose of the study is to investigate the effect of the organisational culture on the efficiency and performance within a state-owned entity, the RAF. This is critical, as SOEs are developed to achieve the service delivery objectives of the state (Musanzikwa & Ramchander, 2018).

1.2.3 Objectives of the study

The purpose of the study was investigated with four objectives which are:

- To investigate prevailing factors leading to organisational culture at the RAF.
- To determine the effect of organisational culture on operational efficiency at the RAF
- To determine the effect of operational efficiency on business performance at the RAF.
- To recommend strategies for high performance organisational culture at the RAF.

1.3 Motivation and significance of the study

The study is significant as it has the potential to contribute towards the body of knowledge, management of the SOE and an improvement in policy.

Previous research has been done under the topic of organisational culture of SOEs and its effects on performance (Ahmed & Shafiq, 2014; Gasela, 2020). This research is the first to analyse organisational culture in the context of the RAF and its effect on operational efficiency and performance.

In South Africa, there is pressure to improve the performance and services delivered by SOEs (PWC, 2011; Auditor general South Africa, 2021). Most SOEs are established with the intention of providing essential services to communities and this includes electricity, transport and communication facilities, however their poor performance in most instances defeats their purpose (PWC, 2011). The SOE framework needs alignment to support the National Development Plan (NDP) 2030 vision (Kanyane & Sausi, 2015). The RAF plays an economic and socio-economic role in the lives of road accident victims (RAF, 2020). It also provides employment for many South Africans. The results of the research are expected to benefit all RAF stakeholders, on both the employee and business level. The research made recommendations for culture so that there may be improvements in performance and efficiency.

In terms of policy, the research has the potential to add value to the governance and controls within the RAF, as well as other SOEs. Similar challenges may be experienced

within other SOEs which need to be scrutinised and addressed so that they can achieve optimised performance.

1.4 Delimitations, scope, and assumptions of the study

The study focused on the organisational culture at the RAF and no other elements within the external or internal environment were considered. The assumptions of the study were that the RAF employees currently have an understanding of the culture within the RAF and were willing to participate in the research on a voluntary basis. Furthermore, that the respondents provided honest responses during data collection so that the research could provide practical recommendations to current culture findings.

1.5 Preface of the study

Chapter 1 of this report provided an introduction of the research. It introduced the context of the study, the conceptualisation of the study, the problem statement, objectives, purpose, significance as well as the delimitations, scope and assumptions of the study. Chapter 2 of the report deals with the literature review. It provides the theories of organisational culture, the factors of organisational culture and provides the link between the effect of organisational culture on efficiency and performance in light of the literature reviewed and the conceptual model of the study.

Chapter 3 of the report sets out the research methodology that was employed to test the hypotheses. The chapter sets out the research approach and design that was implemented. The chapter furthermore discusses the research procedures, research methods, ethical considerations, the research instrument, the target population, sampling method for the study and explains how the data for the research was collected and analysed.

Chapter 4 presents the findings of the research and provides an analysis. Chapter 5 of the report discusses the results and contrasts it with the literature reviewed in chapter 2. Chapter 6 is the last chapter and wraps up the report by providing a summary of the principal results of the study, limitations, recommendations for management and recommendations for future studies.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The purpose of a literature review is to gain a better understanding of the subject matter, based on previous research, which can lead to presenting new knowledge through a written report (Hart, 2018). Although there have been studies on organisational culture, there is a knowledge gap on the effect of organisational culture on operational efficiency and performance at the RAF. The significance of the literature currently in review is to present the theory underpinning the study and review existing literature that helps to develop the conceptual model of the study. In this chapter, an overview of SOEs is provided and the theories of organisational culture are discussed. The factors of organisational culture are canvassed, as well as their effect on operational efficiency and performance. Lastly, a conceptual model with hypotheses for the research is developed.

2.2 Overview of SOEs

The general trends of SOEs, globally, are that they operate in a climate that has a strong legislative setting and poor governance which includes conflicts of interest (Thomas, 2012). These aspects provide difficulties in SOEs functioning optimally. The enforcement of good corporate governance has become essential (Kanyane & Sausi, 2015). Common challenges of SOEs in Africa include high debts, poor governance, corruption, poor management and high salaries for executives, even in circumstances where the salaries were unaffordable and not performance related (Marimuthu & Kwenda, 2019). Within South Africa (SA), the poor performance of the SOEs has received much public attention (Maleka & Rankhumise, 2014). The performance of many SOEs within SA has been affected by an inadequate governance framework and the inability to efficiently balance the needs and objectives of the different stakeholders. According to Tshandu (2018), the bailouts to SA SOEs by government in 2018 were in the region of R 367 billion. Even with government assistance, SOEs are less productive than companies in the private sector (Khoza et al., 2005).

Nepotism and political appointments have been reported within SA SOEs. These result in opportunities being created for family members or members of certain political affiliations (Mitonga-Monga et al., 2016). Controversy regarding appointments in SA SOEs includes the scandal at the South African Broadcasting Corporation (SABC), where a senior official was found to not have a matric certificate (Barlow, 2016). In addition to controversy regarding appointments, other noted trends of SA SOE performance, include operating on excessive deficits, in some cases exceeding R 10 billion, as evidenced at Eskom and PetroSA (Barlow, 2016).

Lack of effective controls and good governance are noted within SOEs, as evident at Passenger Rail Agency of South Africa (PRASA), which is an SOE within the Department of Transport. At PRASA, there were unfilled board positions, which was not compliant with the requirements of the Legal Succession Act. Other challenges at PRASA included a lack of adequate controls, irregular financial reporting, non-compliance with Supply Chain Management (SCM) legislation, security and safety challenges due to a of lack of infrastructure, ethical challenges, as well as vandalism and theft (PRASA, 2021). For the 2019/2020 financial year, the performance of PRASA was extremely poor, having achieved only 17,5 % of its planned Annual Performance Plan targets (PRASA, 2021).

The trends of poor performance within SOEs negatively impacts their ability to discharge their mandate and ability to function optimally (Kanyane & Sausi, 2015). There are however SOEs within the country that are performing well, and their performance has been attributed to a positive organisational culture . An example is Telkom , which implements a zero tolerance policy towards unethical conduct ,fraud and corruption and the senior leadership is intentional in ensuring that a positive culture filters down to all employees within the organisation through the adoption of various internal policies (Telkom, 2019).

The SOE that is under review for the current research is the RAF. The RAF's vision is "to be an equitable and sustainable compensation system for motor vehicle accident victims" (RAF, 2020). The mission of the RAF is, "to provide appropriate benefits to all qualifying road users within the borders of SA and to promote the safe use of roads" (RAF, 2020). Based on the latest available annual report as of 31 March 2020, the RAF had a claims

liability of R 272 billion (RAF, 2020). The RAF owed R11,3 billion in claims that had been finalised but could not be paid due to financial constraints (RAF, 2020). The RAF had spent approximately R 10 billion on legal fees. By the end of the 2019/2020 financial year, the deficit of the RAF was approximately R 17 billion (RAF, 2020). Although an amount of R41,24 billion was allocated by Treasury to the RAF for that financial year, it did not cover the RAF'S indebtedness (RAF, 2020). According to the RAF annual year report (2020) , the SOE identified various risks that include "financial sustainability, fraud and corruption , governance ,people management ,service delivery , information communication , reputational risk and people management". These are factors affecting the culture within the organisation . It is a priority of the RAF strategy to achieve an ethical culture and manage risks and challenges that have an impact on the business performance of the organisation and the achievement of the Annual Performance Plan objectives (RAF, 2020).

2.3 Grounding of organisational culture

The competing values framework is a leading model that is used in understanding organisational culture. It has been adopted into various culture studies. The model, as applied by Cameron and Quinn (2011), analyses organisational culture in terms of what the dominant culture within an organisation is and whether or not the organisation's focus is on the internal or external environment, considering aspects relating to flexibility and individuality or preference for stability and control. In practice, the different culture types may overlap (Aktas et al., 2011).

The different culture types, as per the dominant culture classification, include hierarchical culture, rational culture, clan culture and adhocracy culture (Aktas et al., 2011). Further studies on the types of dominant culture have included a fifth culture, which is called the developmental culture or open systems culture (Parker & Bradley, 2000). When an organisation has a hierarchical culture, the organisation focuses on rules, regulations and compliance with structure (Zammuto & Krakower,1991). Such organisations are classified as having an internal focus. They have also been found to be rigid and are strict even regarding how information is shared within the organisation. Stability and control are

central in this culture type and success is aligned to the extent to which stability can be maintained (Zammuto & Krakower, 1991).

When an organisation has a rational culture, the organisation places importance on the external environment. Organisations implementing this model tend to be production and efficiency oriented and engage extensively with stakeholders in order to find the best way of achieving their intended outcomes (Zammuto & Krakower, 1991).

When an organisation has a clan culture, it prioritises the achievement of cohesion and working as a team over individual performance in achieving organisational goals (Slater, 2010). In such organisations, training and development initiatives are used as a tool for boosting employee morale, creating trust between team members and improving communication skills to foster decisions by consensus (Parker & Bradley, 2000).

When an organisation has an adhocracy culture, the organisation places emphasis on innovation, flexibility, adaptability for the achievement of organisational objectives. With an adhocracy culture, employees are given an opportunity to develop and fair rewards and recognition systems are used as a tool to aid in this regard (Parker & Bradley, 2000). The innovative culture within such organisations facilitates the ability for the organisation to adapt to change, through implementation of continuous strategy development processes (Ramirez et al., 2017). The other dominant culture is the developmental culture. It has been incorporated into the more modern theories of culture. It is an open systems culture. It is centred on innovation and vision (Dennison & Spreitzer,1991). Organisations with this type of dominant culture come up with dynamic programmes in line with their turnaround strategies in order to boost organisational performance (Aktas et al., 2011). Other research has classified culture using more simplified approaches, distinguishing between a hostile culture and a positive organisational culture. A hostile culture has been identified as being governed by politics and hostility, whereas a positive culture has been identified as employee focused and employee supporting (Lekgothoane et al., 2020).

2.4 Culture in terms of open systems and closed systems

Open systems culture is a modern theory of organisational culture. It been incorporated into various other culture theories, for example, the contingency theory, institutional theory and resource dependency theory, emphasising that there is a close link in an organisation's survival and the relationship that an organisation has with its external environment (Bastedo, 2004). In a closed systems culture, there is only one correct way of achieving goals. It is rigid and not open to suggestions and inputs from employees who may have more innovative methods to put in place (Hofstede et al., 2010). It furthermore does not support the concept that newcomers within an organisation can influence the effectiveness within the organisation. This results in discrimination through creating barriers and ceilings within the organisation and the exclusion of newer employees from actively engaging in organisational decision making (Hofstede et al., 2010).

The consequences of operating in a closed systems culture is that it leads to employees becoming closed off and reserved. Organisations with this type of culture fail to benefit from new knowledge held by newcomers and the diversity that could enhance performance (Hofstede et al., 2010).

An open systems culture is also premised on the understanding that the external environment, which includes the political, economic, and social environment all have a strong influence on the organisation. It is collaborative, promotes team spirit and inclusivity as it encourages inputs from employees at all levels (Bastedo, 2004).

When operating within an open systems culture, there is an ongoing exchange, incorporating the feedback from the external environment, adjusting internal processes and systems as necessary, to achieve organisational goals and deliver outputs. The outcomes from an open systems culture are improvements in knowledge, skills, technologies, behaviours and attitudes. It allows for improvements in the knowledge base of an organisation, enhances organisational capability, ensures employees are developed and motivated towards innovatively achieving organisational goals. These elements contribute positively towards operational performance and efficiency (Hofstede et al., 2010).

2.5 Organisational culture factors

Scholars of organisational culture have developed organisational culture frameworks which provide useful tools for assessing the factors of culture within organisations. These look into the individual employee level and organisational level considerations (Ankrah et al., 2009).

Researchers have noted that organisational culture factors can generally be considered in terms of the level of individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, power distance and a long term versus a short-term orientation (Ahmed & Shafiq, 2014). In a broader sense, especially within an SOE, common organisational culture factors can be analysed in terms of the role of politics, governance, communication, leadership, rewards and management practices, the level of training and development, rewards and recognition systems, customer focus, decision making processes within the organisation, planning process within the organisation, the level of teamwork with an organisation, collaboration and the manner of control by leadership (Maalouf, 2019).

The factors of organisational culture should be focus areas for the leadership when engaging in an analysis of the organisation and if monitored, they can provide insights to management on how to steer the organisation towards improvements in efficiency and performance (Kumar, 2016). Although it is difficult to change a strong culture to align with new organisational goals and objectives, if the culture is regularly monitored, it is easier to find the most effective way to achieve a culture change (Shah et al., 2007).

2.5.1 Uncertainty avoidance

Hofstede (1980) stated that organisational culture has various dimensions which are individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, power distance and a long term versus a short-term orientation (Ahmed & Shafiq, 2014). Uncertainty avoidance refers to the extent to which being faced with unknown situations is feared and members try as much as possible to act in accordance with the prescribed directives or what they know (Ahmed & Shafiq, 2014).

The higher the uncertainty avoidance, the higher will be the performance (Ahmed & Shafiq, 2014). Research has found that one of the methods of increasing uncertainty avoidance is through instilling a culture of purpose within the organisation. This can be achieved through engagements on defining the organisation in terms of its purpose and scope, understanding the reasons why the organisation exists and creating clear links on the direction that the organisation is taking and how the roles of employees fit in in respect to this direction (Hollensbe et al., 2014). This approach can help in addressing many challenges and uncertainty on organisational goals and the lack of a shared identity (Hollensbe et al., 2014).

When an organisation is purpose driven and has strong values, its leadership is also more willing to be held accountable. This filters down from the top, allowing for employees to act more deliberately and to also be aware of the impact of their actions in terms of the bigger picture (Hollensbe et al., 2014). Uncertainty avoidance can be managed through open channels of communication and effective management initiatives. These inspire commitment and trust amongst employees, as well as enhancing efficiency. A high uncertainty avoidance culture will place employees in a position to do their best, make better decisions and act with more accountability (Hollensbe et al., 2014). Within such a culture, employees are more open to change, therefore reducing the resistance to change that can be a response once there is uncertainty created as a result of changes in the internal and external environment, as well as changes in strategy (Aktas et al., 2011).

2.5.2 Customer focus and values system

Having a culture with a customer focus requires an organisation to value customers and to understand and prioritise their needs and expectations (Ahmed & Shafiq, 2014). To be successful in realising a customer focus, organisations may incorporate customer centricity into their values system and their strategic objectives (Shah et al., 2007). Research has shown that a mistake some organisations make is limiting customer focus to being only a Total Quality Management (TQM) System, but in fact, it goes beyond this as it is a strategic objective (Yacoob, 2014).

An organisation's values system sets out the standards or guides on what is desirable practice within any given context (Ahmed & Shafiq,2014). Once a values system is

formed, the leadership of the organisation plays a role in shaping the assumptions relating to it within the organisation (Aktas et al., 2011).

The values system within an organisation can cover various dimensions, such as, flexibility, continuous learning, power, achievement, trust, care and openness (Ceausu et al, 2017). If an organisation values the customer, then efforts should be made for the customer focus to be incorporated in the organisational structure, processes, and incentives within the organisation (Shah et al., 2007). When employees support the written and unwritten organisational values, this contributes positively towards organisational performance (Ahmed & Shafiq, 2014). Organisations will therefore benefit from investing in financial and non-financial efforts in boosting their value system, to show that that they care for their employees. This has been found to contribute positively towards performance, especially once there is an alignment at all levels in the organisation to achieve this (Lasane, 2013).

Ensuring that there is alignment may mean that an organisation may need to adopt a customer strategy in conjunction with the overall business strategy. This will result in a dual value creation exercise (Shah et al., 2007). Research has found that in order to enhance performance, organisations should have integrated processes that factor in customer needs, as well as rewarding employees for efforts in achieving this objective. This can create opportunities for innovation, which in turn, has a positive effect on both efficiency and performance from both a customer and internal business perspective (Yacoob, 2014).

If an organisational goal is to achieve a customer focus, it becomes important that the organisation foster a culture that understands its customers. This is achieved through continuous market research, gaps outlined and applying tools, such as, competitor intelligence to be able to address weaknesses for improved customer satisfaction and experience (Mehr, 2013).

2.5.3 Governance factors

Governance refers to the structures, procedures and regulations in place that affect decision making and decision implementation within an organisation. It entails

considerations of controls, policies and conflicting interests affecting organisational decisions, as well as their impact in promoting fair and reasonable processes that can result in accountability and transparency and the prevention of challenges, such as corruption and financial mismanagement (Kanyane & Sausi, 2015). When governance is poor, it can result in increased levels of fraud due to a lack of or weak internal controls, imbalances in stakeholder interests and political interference in decision making (Munduga, 2014). Good governance is therefore necessary and should be balanced, by implementing rules that are legitimate, within an efficient and effective framework as SOEs are managing public affairs. When controls are too tight and there is constant supervision of employees, it can result in adverse effects on performance, such as reduced levels of motivation, lack of commitment and resistance to the implementation of organisational strategy initiatives (Wanjiru, 2015).

It is also noted that when organisations place too much focus on compliance, it can negatively affect efforts on innovation. In finding a way to achieve balance, the King code IV should be used as a guide for achieving standards that satisfy good corporate governance (Munduga, 2014). The Organisation for Economic Co-operation and Development (OECD) guidelines are also an available tool and should be incorporated into the policies and decision-making process to ensure that the systems under which SOEs are controlled, move in the right direction to be able to achieve transparency and efficiency (OECD, 2015).

2.5.4 Employee empowerment and involvement

The training and development of teams plays an important role in the process of employee empowerment. Various training approaches are available that can assist with this goal, for example, the filling the gaps approach or the developing approach. Although both offer advantages, the stronger approach in terms of empowering teams for better organisational involvement is the developing approach (Sartori et al., 2013). It is through such training that an organisation can create a culture of continuous learning that can harness the sharing of knowledge and innovation throughout the organisation (Sartori et al., 2013).

Empowerment creates opportunities for shared values, team collaboration and reduces the rate of conflict amongst teams (Edelmann, 2020). This has a positive effect on performance, as it is through empowerment that information, knowledge and power is shared, and employees are motivated through effective rewards and recognition to go beyond their required duties and responsibilities. This can result in a positive effect in boosting employee self-esteem and competence in more advanced areas. This results in positive effects on self-reliance and can form a source of intrinsic reward that positively influences performance (Kumar & Kumar, 2017). With empowered employees, it becomes easier for an organisation to boost employee involvement levels as they will be voluntarily sharing their knowledge and expertise, which positively affects performance as it encourages innovation (Kumar & Kumar, 2017).

2.5.5 Rewards and recognition system

Rewards and recognition are methods of showing employees that their contributions are valued (Baskar, 2013). They also serve the purpose of being a motivating tool (Salah, 2016). Methods for rewards and recognition are not limited to financial compensation, but can also include praise, feedback, acknowledgment or being given greater responsibility. When there is a culture of recognition, employees remain motivated and productive (Baskar, 2013).

Whether or not the rewards and recognition system is effective, will be dependent on an organisation's ability to understand and satisfy the needs and beliefs of its people. An organisation's rewards and recognition system should incorporate a balance between the different types of rewards and recognition. Challenges occur within the organisation if any of these different types of rewards and recognition are neglected or when there is over-focus on addressing poor performance but no acknowledgment of good performance. In such instances, employees may feel unappreciated and unvalued (Baskar, 2013). When an organisation has a good rewards and recognition culture, employees are motivated to be more innovative in how they execute their duties, and this positively contributes to efficiency and performance (Salah, 2016).

2.5.6 Innovation and Technology

The technology and innovation factor within SOEs is important for organisational culture. This is the case especially post COVID 19. In the current digital era, communication and services that previously took place face-to-face have moved to being virtual or digitised and therefore processes need to be aligned with the changing environment (Cascio & Montealegre, 2016). An organisation's ability to manage change under a changing external environment becomes a form of competitive advantage (Sartori et al., 2013).

When the innovation culture within the organisation is not mature, it can lead to challenges in how well the organisation can implement innovation efforts (Maier, 2014). What can assist in creating an innovation culture is when there is a common understanding at all levels in the organisation of the meaning and importance of innovation within the organisation and alignment of efforts towards achieving it. This entails open communication channels and providing opportunities for employees to make suggestions on new ideas that could result in change as well as incorporating this into daily performance objectives to make it a part of the organisation (Ceausu et al., 2017). To achieve an innovation culture, the information systems, procedures and structures within the organisation should also aligned to support this goal (Bodemann et al., 2015).

Research has found that a good way to maintain momentum in this initiative is through the establishment of innovation teams. It is through the formation of innovation teams that an organisation's team members can learn to share risks and rewards, collaborate and work with a sense of trust in each other (Sartori et al., 2013). Similarly, the usage of innovative technologies such as Customer Relationship Management (CRM) have been found to aid organisations in achieving improvements in performance. These technologies provide organisations with the opportunity to receive feedback from customers, which is then incorporated into organisational change efforts in order to add value with overall service delivery (Shah et al., 2007).

2.6 Effects of organisational culture on operational efficiency and performance

If an organisation focuses on efficiency, it is able to eliminate losses and wastage of resources that can occur through duplicated efforts and defects in output (Aktas et al., 2011). Organisational efficiency focuses on improvement in the internal processes within the organisation. When an organisation focuses on efficiency, it can lead to improvements in organisational performance. It is important for an organisation to understand its people and their understanding of organisational objectives and values. Once there is an alignment between organisational and individual employee values, it creates an opportunity for efficiency within the organisation (Kotter, 2012).

The six factors of organisational culture to be tested in the research have been canvassed and will be explored on their impact towards performance and operational efficiency. The first one is uncertainty avoidance . This is associated with of the level awareness and understanding employees have regarding their role in an organisation, how to best execute their role and how they fit within the organisation's vision. High uncertainty avoidance leads to higher levels of efficiency and performance (Ahmed & Shafiq, 2014). The second factor is customer focus and values system. This factor is associated with the extent to which customer centricity is valued and prioritised within an organisation and the alignment of processes towards achieving this objective (Shah et al., 2007). When an organisation includes customer centricity in its strategy , conscious efforts are made in order to ensure that customer needs and expectations are understood and satisfied. This leads to improvements in efficiencies and performance from a customer perspective (Kaplan & Norton, 2001). The third factor is governance . This encompasses controls and policies that are in place within an organisation for employees to comply with the required standards and expectations . It is important that the controls and policies be fair and reasonable in order enhance employee motivation and commitment and discourage wastage of resources (Munduga, 2014). The fourth factor is employee empowerment and involvement. It is through the empowerment of employees that peer leadership qualities are enhanced and the need for employee supervision is reduced. This can have a positive impact on efficiencies within empowered teams as well as performance within such teams (Ochola, 2018). The fifth factor is rewards and recognition . This involves the processes,

policies and strategies in place for employees to be recognised for their efforts towards achieving organisational objectives. Appreciated employees contribute positively towards organisational performance (Salah, 2016). The final factor is innovation and technology, due to the importance of innovative information technologies for creating competitive advantage for organisations as well and creating opportunities for efficiencies (Cascio & Montealegre, 2016).

An improved understanding of culture provides an opportunity for improved outcomes within organisations (Parker & Bradley, 2000). The organisational culture within an organisation can impact employees through boosting their devotion towards the organisational values and philosophies and creates an opportunity for enhanced commitment and alignment to the organisational goals and values (Kotter, 2012).

Although Internal and external stakeholders may measure performance differently, based on their different expectations (Ahmed & Shafiq, 2014), the balanced score card approach allows for performance to be measured in an integrative manner, considering a financial perspective, internal business perspective, customer perspective or a learning perspective (Kaplan & Norton, 2001). Performance from a financial perspective takes into consideration the financial position of an organisation. The customer perspective takes into consideration factors concerning organisational image , reputation and customer satisfaction with services rendered by the organisation. The internal business perspective takes into consideration the processes and performance objectives that the organisation should excel in ,in order to satisfy both internal and external stakeholders . Lastly ,the learning perspective ,takes into consideration an organisation's ability to continuously learn and improve in order to achieve the organisational vison (Kaplan & Norton, 2001). The financial perspective, internal business perspective and customer perspective will be tested in the research.

2.7 Conceptual model of the study

Martins et al. (2003) opined that organisational culture is a system of shared meanings held by members of the same organisation. It is what sets the organisation apart from others (Lee, 2019). Organisational culture can be understood in respect of its three

cognitive levels (Schein ,1985). The first level relates to attributes that outsiders can see, feel or hear. Examples include dress code, infrastructure and the visible recognition of awards given to employees. The second level relates to culture championed by the leadership of the organisation and is visible to all stakeholders through the organisation's mission, vision, logo and values statement. The third level relates to the unspoken culture. This refers to the unconscious aspects of organisational culture, such as common understandings and assumptions within the organisation (Schein, 1985). These three levels have been incorporated in the selection of organisational culture factors to be tested in the research on their effect on operational efficiency and performance.

The conceptual model of the study is presented in Figure 1.

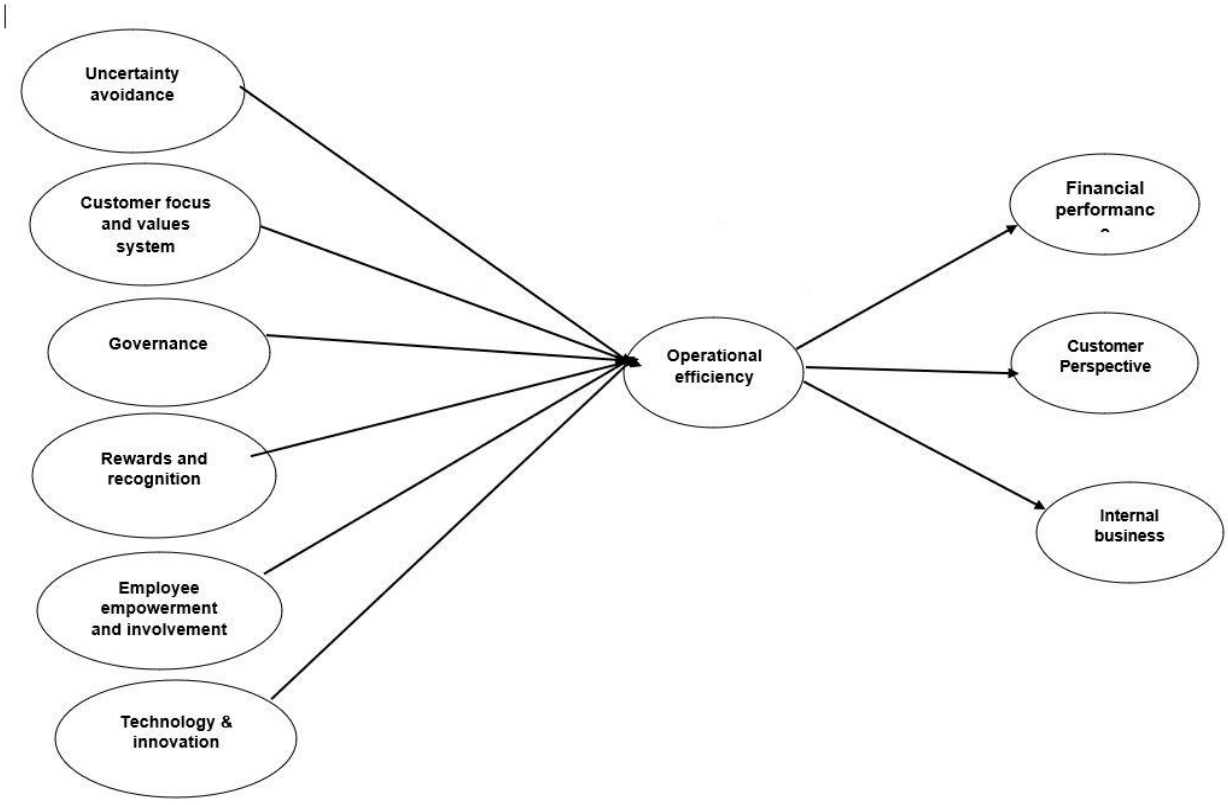


Figure 1: Conceptual framework for the study

The study investigated diverse organisational culture factors, which are 1) uncertainty avoidance; 2) customer focus and values system; 3) governance factors; 4) employee empowerment and involvement; 5) rewards and recognition system; and 6) technology and innovation. As such, the first hypothesis of the study is:

> H_1: The state of the organisational culture factors shows high levels at the SOE (Hypothesized mean: $\mu_0 \geq 3.4$)

A poor organisational culture compromises efficiency and performance (Mekwe, 2015). Research has shown that when the organisational culture is hostile, employees are not willing to go beyond the call of duty to help the organisation achieve its organisational goals (Lekgothoane, 2020). Innovation is a process that identifies opportunities for change and the creation of new or improved processes, services or products (Maier, 2014). When there is a culture of innovation within an organisation, it can serve as a tool for improving performance as it encompasses value adding engagements (Ceausu et al., 2017).

The second and third hypotheses can be developed as follows:

> H_2: Organisational culture factors have a significant effect on operational efficiency at the SOE

> H_3: Operational efficiency has a significant effect on business performance at the SOE

It is noted that organisational culture can become deeply rooted within the members of an organisation, if it is a strong culture, therefore making it difficult to change. Schein (2010) added that the purpose of organisational culture is to provide a sense of identity within members of the same organisation, to enhance employee commitment levels within the organisation, to strengthen organisational values and to shape behaviour within an organisation through various controls which can in turn, lead to improved efficiency and performance.

2.8 Summary

In this chapter, the literature reviewed on organisational culture was presented. An overview was provided on the performance and trends of SOEs on a global, African continent and South African context before introducing the SOE that is under review, being the RAF. The RAF has an important mission of providing benefits to all qualifying road users ,however the annual reports are reflecting that the SOE is operating on consistently high indebtedness (RAF, 2020). This chapter identified factors of organisational culture and their theoretical influence on operational efficiency and a conceptual model for the study was developed . This research project is the first to analyse organisational culture in the context of the RAF and its effect on operational efficiency and performance . The research has potential to add value in terms of addressing the current knowledge gap on the organisational culture at the RAF and its effect on efficiency and performance . The research may add value to the governance and controls within the RAF for improved performance as well as other SOEs experiencing similar challenges .

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

In the previous chapter, the relevant literature was reviewed identifying the relevant factors of organisational culture and their theoretical influence on operational efficiency and performance. This culminated in the development of the conceptual model with its respective hypotheses.

In this chapter, the research methodology that was followed to test the hypotheses is presented. This starts with explaining the relevant research approach and design that was followed in the study. Flowing from this is the explanation of the research procedures and methods that were employed which includes the ethical considerations, the research instrument, the target population, and sampling of the study. The chapter continued by explaining the research data and information collection approach which included the information analyses, the profile of the respondents as well as the research strength – reliability and validity. The chapter closes by providing the research weakness – the technical and administrative limitations as well as a summary of the chapter.

3.2 Research approach

In business studies, there are three common research approaches. These are qualitative, quantitative and mixed methods research approaches (Leedy & Ormrod, 2015; Creswell, 2014). Qualitative research can be described as research that describes the nature of things and helps in explaining why something is or was not observed during the research. It mainly focuses on data in the form of words as opposed to numbers (Busetto et al., 2020).

Quantitative research is a research approach whereby quantitative data is gathered using statistical, mathematical or computational techniques. Common methods of sourcing quantitative data are online surveys, questionnaires or polls. The results are reflected in a numerical form. After the numerical data has been analysed, a researcher is able to make predictions on the future (Nenty, 2009).

The other form is the mixed method approach, where qualitative and quantitative research design creates an opportunity for better research tools that allow for a bigger range of research problems to be addressed and prevent any blind spots in the research (Busetto et al., 2020). In this study, the most appropriate research method is the quantitative, due to its capability to test the relationships in a statistically significant manner at 95% confidence level ($p < 0.05$) (Cohen, 1988).

Advantages of quantitative research are that it allows for a collection of reliable and accurate data. The data collection process is quick and accurate and due to it being centred on numbers eliminates any potential bias in the data analysis process (Mtotywa, 2019).

3.3 Research design

Bryman (2012) indicates five common designs in the research studies. These are cross sectional design, longitudinal design, comparative studies, experimental and case studies. In this study, the cross-sectional design was utilised as the survey data was only collected at a particular point in time.

This design is utilised when testing the relationship (correlation and prediction), based on the objective, as it is for this study. Correlational research is used to show a relationship between two closely tied variables or entities, how they impact each other and various changes in them during the process and is useful when research is trying to understand trends or patterns and trends of the variables being tested. As this study is using the quantitative research approach to test the hypotheses, it followed a deductive reasoning (Bryman, 2016). In deductive reasoning, the research starts with literature, as this study did in chapter 2 and then used the literature to develop a conceptual model and research hypotheses which are then tested in a particular setting which in this study, is the RAF. Various studies have shown the benefit of this design approach in understanding the effect of organisational culture of performance.

3.4 Research procedure and methods

In this section, the research procedure and methods, ethical considerations in collecting the research data, research setting, research data and information data collection instrument, research target population, sampling or selection of respondents from the target population, research data and information process and analysis research data and information analysis, profile of the study respondents, research strengths -reliability and validity measures and research weakness- administrative and technical are discussed

3.4.1 Ethical considerations

The study ensured that there was adherence to ethical considerations by making sure that the respondents understood their rights regarding their participation in the study. Firstly, the survey had an introductory section which highlighted the objectives of the study. After reading this, the respondents were requested to provide consent with only those who consented allowed to complete the rest of the questionnaire. The respondents were advised that their participation was voluntary and that they had a right to stop participation at any time as they saw fit. Confidentiality of the respondents was maintained. The respondents were not required to capture their names and surnames or employee numbers to ensure that the respondents felt safe to disclose honest feedback. The collected data was managed with care with only the researcher and the supervisor having access to the data in a password protected electronic cloud storage.

3.4.2 Research data and information data collection instrument

The research instrument had five main sections, dealing with consent to participate in the research, participant profile and thereafter the sections dealing with the research objectives, namely organisational culture, efficiency and performance. The respondents' profile dealt with the background of the respondents. This was divided into their tenure at the RAF, their age, their gender and their level of employment.

The questions on organisational culture focused on pre-determined variables that have been used in previous research on the topic and were found to be relevant. These consisted of uncertainty avoidance, employee empowerment & involvement, customer focus & values system, governance, rewards and recognition and innovation &

technology. The research statements from the research instrument utilised were adopted from previous research by Ahmed and Shafiq (2014) on the effect of organisational culture on performance research. These variables were tested using a 5-point Likert scale. The next section related to testing the efficiency of the RAF. A ranking of 1 – 10 was used. The last section related to testing performance of the RAF. A ranking scale of 1 – 10 was used. The details of the questions are provided as an appendix to the research.

3.4.3 Research setting

The RAF is an SOE within the Department of Transport. It is the organisation under review for the current research (RAF, 2020). The RAF is a schedule 3A public entity, established by the RAF Act (Act 56 of 1996). Over the years, the organisation has seen various amendments to the Act in attempts to transform the organisation by adjusting the RAF's compensation obligations (Act 19 of 2000). It is mandated to provide social insurance to all South African road users. The RAF provides cover, rehabilitation and compensation to road accident victims following damage or loss being incurred as a result of the negligent driving of a motor vehicle, within the borders of South Africa (RAF, 2020). The organisation has a customer centric approach, and its performance is guided by the achievement of the Annual Performance Plan targets. The settlement of claims, reduction of claims backlogs and reduction of settlement duration are key to the RAF's performance objectives (RAF, 2020).

3.4.4 Research target population

The target population of the study were the employees of the RAF who are eligible for participation in the study (Mtotywa, 2019). As per the RAF's last published annual year report, for the period ending 2019 /2020, the RAF had a total staff component of 2789 permanently filled positions. The RAF has employees on different task levels. The employees are grouped as Assistants, Junior officers, officers, supervisors, team leaders, managers, senior managers, Regional General Managers and Executives.

3.4.5 Sampling of the study

The targeted respondents were sampled using a probability sampling method employing a random sampling technique. Based on the approach of the study that used relationship analysis with regression model, the sample size was determined based on the guidelines of Green (1991):

$$S \geq 50 + 8n$$

S = sample size, while n = number of predictor variables. In this study, there were six predictor variables, as such the minimum sample size was 98, with an additional 20% considered for non-response. This means the targeted minimum sample size was 118. The sample frame was SOE's email address book, where every 24th employee in the address book was selected by sending the survey link and request for completion to the emails on the sampled employees.

3.4.6 Research data method

The instrument was compiled into an electronic platform, Qualtrics and then a link was created which was then distributed to all of the targeted sample. The instrument was self-administered, meaning that the respondents completed the survey all by themselves without the researcher's assistance. Despite this, contact details for enquiries were provided which the respondents were encouraged to use when they were not sure of something during the participation in the survey. After completion of the survey by the respondents, they submitted their responses which were then saved into a data base that was later accessed by the researcher.

3.4.7 Research data and information process and analysis

The collected data was imported into IBM Statistical Package for Social Sciences (SPSS) version 28. Initially the data was analysed for missing values to ensure that there were no missing values that were more than 5%, as per the requirements of Shafer (1999). All the responses that had high levels of missing values were excluded in the final analysis.

This was followed by analysis of extreme outliers to make sure that there are no data points that are more than three times the inter-quartile range. The final data was then

used to profile the respondents, to conduct descriptive and inferential statistics. The respondents were characterised using frequency and percentage frequency, while the descriptive statistics was used to determine the central tendency, based on mean and median values and the dispersion using the standard deviation. Skewness and kurtosis were used to determine the normal distribution of the data using guidelines of ±2 for skewness and ±7 for kurtosis for a normal or near normal distributed data (Hair et al., 2018). To determine the relationship between organisational culture factors and operational efficiency as well as organisational culture factors and organisation performance, a Pearson correlation was used for the analysis.

The statistical significance of this relationship was based on 95% confidence level with the direction of either positive or negative and the strength either weak, medium, or strong. Pallant (2010) indicates that a weak correlation is 0.09 ≤ r ≤ 0.29; 0,30 ≤ r ≤ 0,49 and r ≥ 0.50. This was followed by a stepwise and multilinear regression analysis to understand whether the organisational culture determinants are statistically significant predictors of organisational efficiency and performance. r^2 which is the determination of the variance was used to confirm the strength of the predictors.

3.4.8 Profile of the study respondents

The respondents were grouped based on factors that may affect responses in understanding of the culture. These include age, gender, tenure and level of employment. The respondents consisted of RAF employees grouped according to the following age groups: less than 25; 26 – 35; 36 – 45 and 46 and above. The respondents were also grouped according to gender: male versus female. Tenure at the RAF: the respondents were grouped according to their tenure within the RAF. The categories were less than 2 years; 2 – 5 years; 6 - 10 years and over 10 years of service. From the responses the highest represented group, age 36 – 45 (50.0%) followed by 26 -35 years with 34.7%. The last categorisation was based on the level of employment: the junior employees: Assistants, Personal Assistants, Junior officers and Officers, Supervisors: Seniors (supervisors) and team leaders, managers: managers and specialists. Senior management: Senior Managers, Regional General Managers and Executives (Table 1).

The junior employees comprised of 63.3% of the responses followed by the supervisors which comprised 21.3%.

Table 1: Profile of the respondents

Variable		Frequency	% Frequency
Employee level	Junior employee	95	63.33
	Supervisor	32	21.33
	Manager or Specialist	20	13.33
	Senior management	3	2.00
Age group	25 year and younger	1	0.67
	26 - 35 years	52	34.67
	36 - 45 years	75	50
	Older than 45 years	22	14.67
Tenure	Less than 2 years	7	4.67
	2 - 5 years	43	28.67
	6 - 10 years	64	42.67
	More than 10 years	36	24.00
Gender	Male	60	40.00
	Female	90	60.00

3.4.9 Research strengths - reliability and validity measures

A reasonable number of respondents responded to the participation invitation and participated on a voluntary and anonymous basis. The survey was drafted in a straightforward manner allowing for participants to be able to complete it within 10 minutes. The survey link was also cellphone friendly, making it easy for respondents to access it on their cell phones, instead of their laptops, therefore offering respondents convenience in terms of when and how to complete the survey.

The face validity of the study is determined with the pre-test where five questionnaires were sent to potential respondents for them to determine if the questions were in line with the objectives, whether it was easy to understand and did not have grammatical errors. The feedback obtained was incorporated into the final questionnaire. The construct validity of the study was analysed with factor analysis using principal components where

the suitability of the factor analysis was determined using Kaiser-Meyer-Olkin Measure of Sampling Adequacy and the Bartlett test for sphericity (Hair et al., 2018). The number of factors extracted were determined by the Eigen values which were higher than 1.0. The reliability of these extracted factors was determined using Cronbach alpha coefficient. The acceptable level was for the factors were those which were higher than 0.6 (Hair et al., 2018; Mtotywa, 2019).

3.4.10 Research weakness- technical and administrative

It is acknowledged that not all research questions were answered in the survey. This was a limitation in that it affected the completeness of the results obtained in the research. The other limitation was that it is possible that a percentage of the respondents may have been nervous about the confidentiality of their responses. This was mitigated by the researcher not requesting respondents for details on their names, employee numbers or any specifically identifying particulars, in an attempt to maintain anonymity and encourage honest responses.

3.5 Summary

This chapter presented the research methodology that was followed to test the hypotheses for the study. The quantitative research method was selected as being the appropriate research approach for the study, with the utilisation of a cross sectional design. The chapter went further to explain that deductive reasoning was employed due to the beneficial impact of this design approach in understanding the effect of organisational culture of performance. The chapter also discussed the ethical considerations applied, the research instrument, the target population, sampling approach, the research data and information collection approach as well as the research weaknesses.

CHAPTER 4: RESULTS AND ANALYSYS

4.1 Introduction

The empirical data was collected and analysed using STATA 14. In this chapter, the results are presented, starting with the profile of the respondents, followed by the descriptive statistics. The descriptive statistics focused on central tendency (mean), dispersion (standard deviation) as well as skewness and kurtosis. Flowing from this are the inferential statistics, which were used to test the hypotheses.

4.2 Descriptive statistics

The descriptive statistics detailing the mean (M), median, standard deviation (SD), skewness and kurtosis of the 24 items of the organisational culture in presented in Table 2. The five items the respondents highly agreed with were VAR14, VAR3, VAR8, VAR7 and VAR9. VAR14 indicated 'I support the values of the RAF' with a mean value, M = 4.10(SD =0.775). The second variable the respondents mostly agreed with was VAR3 which said, 'I know what is required of me in my current role' (M = 4.01, SD = 1.059) then VAR VAR8 'When I receive complaints, I am always able to attend to them' (M = 3.86, SD = 1.041). The fourth and the fifth was VAR 7 which said, 'I understand the importance of systems integration and open systems' (M = 3.78, SD = 0.821) and VAR 9 'Policies are in place to prevent undue influence in procurement.' (M = 3.70, SD =0.938) The median for all these five variables was 4.0. On the lower end, the variables the respondents least agreed with were VAR6, VAR20 and VAR21. VAR6 indicated that the 'Claimants including their representatives are generally satisfied with the RAF services' with M = 2.67, SD =1.108, followed by VAR 20 'The rewards and recognition system at the RAF is fair and reasonable.' (M = 2,87, SD = 1.223) and VAR21 'The innovative technologies employed at the RAF make claims easy to process.' (M = 2.87= SD=1.171). The skewness and kurtosis of the data confirm that the variables were normally distributed with the range of skewness = -1.359 to 0.064 being within ±2 and kurtosis = 1.80 to 6.72 being within ±7 (Hair et al., 2010).

Table 2: Descriptive statistics of the organisational culture items

Variable		Mean	Median	SD	Skewness	Kurtosis
My manager encourages me to come forward with ideas including suggestions.	VAR 1	3.57	4	1.295	-0.735	2.43
My manager creates an environment that supports empowerment.	VAR2	3.5	4	1.220	-0.619	2.41
I know what is required of me in my current role.	VAR3	4.01	4	1.059	-1.364	4.61
I understand how my current role fits in relation to changes in the RAF model.	VAR4	3.62	4	1.120	-0.734	2.90
In general, the RAF prioritises good relations with its stakeholders (claimants including their representatives)	VAR5	3.60	4	1.122	-0.699	2.85
Claimants including their representatives are generally satisfied with the RAF services.	VAR6	2.67	3	1.108	0.014	2.18
I understand the importance of systems integration and open systems.	VAR7	3.78	4	0.821	-0.980	4.57
When I receive complaints, I am always able to attend to them.	VAR8	3.86	4	1.041	-1.034	3.61
Policies are in place to prevent undue influence in procurement.	VAR9	3.70	4	0.938	-0.935	3.99
Controls are in place to prevent any potential collusion.	VAR10	3.57	4	1.041	-0.773	3.23
The policies including procedures and their controls currently within the RAF are fair and reasonable.	VAR11	3.21	3	1.124	-0.477	2.33
There is political interference with processes at the RAF.	VAR12	3.30	3	1.103	-0.182	2.46
The values at the RAF are aligned (written and unwritten).	VAR13	3.60	4	1.056	-0.617	2.63
I support the values of the RAF.	VAR14	4.1	4	0.775	-1.359	6.72
I am given an opportunity to influence what is going on in my department.	VAR15	3.01	3	1,251	-0.057	1.94
The RAF values teamwork more than individual work.	VAR16	3.33	3.5	1.138	-0.324	2.26
I am aware of the rewards & recognition system in place at the RAF.	VAR17	3.58	4	1.088	-0.817	2.95
If I work hard, I am appreciated and recognised at the RAF.	VAR18	2.94	3	1.238	0.036	2.01

Variable		Mean	Median	SD	Skewness	Kurtosis
The current rewards and recognition system at the RAF motivates me to go beyond the call of duty.	VAR19	2.96	3	1.264	0.014	1.99
The rewards and recognition system at the RAF is fair and reasonable.	VAR20	2.87	3	1.223	0.064	2.11
The innovative technologies employed at the RAF make claims easy to process.	VAR21	2.87	3	1.171	-0.052	1.89
The RAF employs innovative ways to track progress for the claimants.	VAR22	3.00	3	1.180	-0.212	2.94
The RAF employs an integrative claims system (it's easy to respond to claimant queries based on information on claims-view, without needing the physical file).	VAR23	2.87	3	1.240	-0.032	1.80
The innovative technologies employed at the RAF provide a source of control to prevent corruption.	VAR 24	2.95	3	1.152	-0.115	2.24

4.3 Factor analysis and reliability of the organisational culture factors

The factor analysis was conducted using the principal-component factors on the 24-item instrument of the study. Initially, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy was determined and was found to be good with KMO = 0883 (Table 3). In addition, the Bartlett test of sphericity was determined and found that the variables were intercorrelated with χ^2 (276) = 2163, $p < .001$. The test confirmed the suitability of the factor analysis. There were six organisational culture factors which were extracted with total variance extracted 69.6%. In the final factor analysis, VAR6 and VAR12 were excluded due to loading to more than one factor.

Factor 1 was rewards and recognition with 4-items (VAR17, VAR18, VAR19, VAR20), with loading factors of 0.739 – 0.896 and percent extracted of 14.8%. This factor was reliable with Cronbach alpha, α = 0.907. Factor 2 was innovation and technology with four items (VAR21, VAR22, VAR23, VAR24), while factor 3 was governance with five items (VAR7, VAR8, VAR9, VAR10, VAR11). Innovation and technology and governance were reliable with α = 0.881 and α = 0.839, respectively. Factor 4 – 6, were Customer and

Values system, Employee empowerment and involvement and uncertainty avoidance. There were 5 items for Customer and Values system, while two each for Employee empowerment and involvement (VAR1, VAR2) and uncertainty avoidance (VAR3, VAR4). Factors 4 – 6 had loading factors higher than 0.4, Eigen values larger than 1.0 and were all reliable with Cronbach alpha, α = 0.819 (Customer and Values system), α = 0.891 (Employee empowerment and involvement) and α = 0.660 (Uncertainty avoidance).

Table 3: Factor analysis and reliability of the constructs

Factors	Items	Loading factor	Percent extracted	Cronbach alpha
Rewards and recognition	VAR17, VAR18, VAR19, VAR20	0.739 -0.896	0.148	0.907
Innovation and technology	VAR21, VAR22, VAR23, VAR 24	0.765 -0.853	0.147	0.881
Governance factors	VAR 7, VAR 8, VAR9, VAR10, VAR11	0.525- 0.787	0.126	0.839
Customer & Values system	VAR5, VAR13, VAR14, VAR15, VAR16	0.418 – 0.778	0.114	0.819
Employee empowerment & involvement	VAR1, VAR2	0.877 – 0.879	0.106	0.891
Uncertainty avoidance	VAR3, VAR4	0.503 – 0.509	0.056	0.660

KMO =0.883 Bartlett test: Chi – square (χ^2) = 6163, df = 276 . p <.001
Total variance extracted = 0.696 Eigen values ≥1.0

4.4 Prevailing organisational culture factors

The first objective of the study investigated the prevailing organisational culture factors at the SOE, and was tested using the following hypothesis:

> H_{10}: The means of the organisational culture factors are not statistically significantly lower than $\mu_0 \geq 3.4$.
>
> H_{1A}: The means of the organisational culture factors are equal or statistically significantly higher than $\mu_0 \geq 3.4$.

Initially, the one sample t-test, was used to test if all the six factors are statistically significantly higher than the average mean, $\mu_0 \geq 3.4$. Uncertainty avoidance; employee empowerment and involvement; customer and value system and governance were higher

than 3.4, while innovation and technology and rewards and recognition were lower than 3.4 (Table 3). The Friedman test shows a statistically significant difference between the six organisational culture factors. The results show t-statistics which were positive and statistically significantly higher than $\mu_0 \geq 3.4$ for uncertainty avoidance (t =5.533, p <.001), customer and value system (t =2.067, p <.05), governance (t = 3.659, p<.001). Rewards and recognition (t =-3.552, p <.001) and innovation and technology (t =-5.763, p <.001) were statistically significantly lower than $\mu_0 \geq 3.4$. Uncertainty avoidance was the highest ranked variable with a median of 4.0, followed by employee empowerment and involvement which was ranked second.

Table 4: One sample t-test and Friedman test

Organisational culture factors	Mean	Median	t-statistics	Rank order
Rewards and recognition	3.10	3.25	-3.552***	5
Innovation and technology	2.93	3.00	-5.763***	6
Governance	3.62	3.80	3.659***	3
Customer & value system	3.53	3.60	2.067*	4
Employee empowerment & involvement	3.54	4.00	1.4130	2
Uncertainty avoidance	3.82	4.00	5.533***	1

Friedman = 494.3807 p < 0.001

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

This means that these two were the most prevailing organisational factors at the RAF. On the lower end, the least prevailing were the innovation and technology ranked last and rewards and recognition, which was ranked fifth. Based on the results, it can be concluded that the null hypothesis is accepted for rewards and recognition and innovation and technology, while it rejected uncertainty avoidance. The alternative hypothesis is accepted for uncertainty avoidance, employee empowerment and involvement, customer and values system and governance.

4.5 Effect of organisational culture on operational efficiency and business performance

Objective two and objective three focused on the effect of organisational culture on operational efficiency at the RAF and the effect of operational efficiency on the business

performance, respectively. These objectives were investigated with hypothesis two and hypothesis three, using Pearson correlation and linear regression.

4.5.1 Effect of organisational culture on operational efficiency

Hypothesis two of the study was:

H_{20}: Organisational culture factors do not have a statistically significant effect on operational efficiency at the SOE

H_{2A}: Organisational culture factors have a statistically significant effect on operational efficiency at the SOE

This hypothesis has six sub-hypotheses as each of the six organisational culture factors are tested individually (stepwise) and then collectively. a=rewards and recognition, b = innovation and technology, c= governance, d = customer and value system, e = employee empowerment and involvement, f = uncertainty avoidance.

The median for operational efficiency was 5.0 indicating that 50% of the respondents were of the view that the operational efficiency was seldom to sometimes in place at the RAF. 25% of the respondents rated the operation efficiency at 6.0 (sometimes) while only 5% rated at 9.0 (most of the time).

Table 5: Descriptive statistics of operational efficiency

Mean	4.30
SD	2.66
Median	5.0
25%	2.0
75%	6.0
95%	9.0

The correlation matrix shows that there was a statistically significant positive relationship between operational efficiency and governance with medium strength based on the guidelines of Pallant (2010), $r = 0.332$, $p < .001$ (Table 6).

Table 6: Correlation matrix of the organisational culture factors, operational efficiency and business performance

	1	2	3	4	5	6	7	8	9	10
1. Financial	-									
2. Customer	0.578***	-								
3. IBP	0.483***	0.574***	-							
4. Operational Efficiency	0.506***	0.542***	0.375***	-						
5. Rewards	0.272**	0.305***	0.269**	0.132	-					
6. Innovation & technology	0.464***	0.584***	0.410***	0.310***	0.414***	-				
7. Governance	0.308***	0.377***	0.400***	0.332***	0.485***	0.421***	-			
8. Customer & value system	0.360***	0.407***	0.360***	0.278***	0.545***	0.478***	0.613***	-		
9. Employee empowerment	0.275***	0.313***	0.306***	0.190*	0.405***	0.270**	0.474***	0.519***	-	
10. Uncertainty avoidance	0.360***	0.332***	0.338***	0.277***	0.428***	0.287***	0.537***	0.575***	0.485***	-

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

There was also a statistically significant positive relationship between operational efficiency and innovation and technology with medium strength, r = 0.310, p <.001. Uncertainty avoidance, customer and value system, as well as employee empowerment all had statistically significant positive though weak relationships with operational efficiency. There was no statistically significant (*n.s*.) relationship between rewards and recognition and operational performance (r = 132, *n.s.*).

The stepwise linear regression of each variable was conducted, and the results are presented in Table 6. Model 1 was acceptable, F (1, 153) = 23.80, Prob> F = .0000. The results show that innovation and technology was a statistically significant positive predictor of operational efficiency, with β = .9596 (t = 4.88), p <.001. The r-square, which is the proportion of the variance for operational efficiency that is explained by innovation and technology is 0.135, meaning 13.5% of the operational efficiency can be explained by innovation and technology in the SOE. Governance was also a statistically positive predictor of the operational efficiency with β = 1.222, t = 4.74, p <.001, with the proportion explained being 12.8%. Customer and value system, employee empowerment, uncertainty avoidance and rewards and recognition at individual levels were also statistically significant predictors of operational efficiency. Model 7 was the multilinear regression model with all six predictors. The results show that in the presence of all predictors, innovation and technology was the statistically significant predictor (β = .668, t = 2.92, p <.01). The proportion of variance explained in this model was 20.64%.

Table 7: Regression analysis for models of organisational culture factors on operational efficiency

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Rewards & Recognition	0.473(2.39)*						-0.322(-1.37)*
Innovation & Technology		0.959(4.88)***					0.667(2.92) ***
Governance			1.221(4.74)***				0.658(1.88)*
Customer & value system				1.076(4.37)***			0.280(0.79) *
Employment empowerment & involvement					0.484(2.76)***		0.532(0.27) *
Uncertainty avoidance						0.833(3.82)***	0.314(1.16)*
Constant	2.825(4.35)***	1.481(2,43)*	-0.130(-0.14)*	0.494(0.55)*	2.588(3.96)***	1.121(1.31)*	-1.442(-1.40)***
F-Statistics	5.69	23.80	22.50	19.14	7.64	14.62	6.41
N	155	155	156	156	156	156	155
r^2	0.0359	0.1346	0.1275	0.1105	0.0472	0.0867	0.2064
r^2-adjusted	0.0296	0.1290	0.1218	0.1048	0.0411	0.0808	0.1742

$^{*}\ p < 0.05$, $^{**}\ p < 0.01$, $^{***}\ p < 0.001$

4.5.2 Effect of operational efficiency on business performance

Hypothesis three of the study was:

H_{30}: operational efficiency does not have a statistically significant effect on business performance at the SOE

H_{3A}: operational efficiency has a statistically significant effect on business performance at the SOE

This hypothesis has three sub-hypotheses as business performance was evaluated with x = financial measure, y = customer measure and z = internal business process (IBP) measure. Based on the results, the respondents highlighted the business measure that was performing better than the other was IBP with M = 5.558, SD = 2.494 and a median of 5.0, with financial worst with M= 3.84, Sd = 2.546 and median = 4.00. Only 5% of the respondents believed that the performance in these three measures were 9 or 10 (excellent).

Table 8: Descriptive statistics of business performance measures

	Financial	Customer	IBP
Mean	3.84	4.386	5.558
SD	2.546	2.406	2.494
Median	4	5	5
25%	1	2	4
75%	5	6	8
95%	9	9	10

The regression analysis for operational efficiency and the business performance is provided in Model 8 – Model 10 (Table 9). The results show that the operational efficiency is a statistically significant positive predictor of customer perspective, $\beta = 0.498$ (t= 8.00), $p < .001$. The r^2 was 0.298, which means that 29.8% of the customer perspective of the business performance can be predicted by the operational performance. The operational efficiency was also a statistically significant positive predictor of financial performance ($\beta = 0.497$ (t= 7.25), $p < .001$) and also of internal business perspective ($\beta = 0.363$ (t= 4.98), $p < .001$).

Table 9: Regression analysis of operational efficiency and business performance

	Model 8	Model 9	Model 10
Operational efficiency	0.497(7.25)***	0.498(8.00)	0.363 (4.98)***
Constant	1.711(4.97)***	2.268(7.29)***	3.997(10.90)***
F-Statistics	52.57***	64.06***	24.80***
N	150	153	147
r^2	0.262	0.298	0.146
r^2-adjusted	0.257	0.293	0.140

Based on the results, it can be concluded that the null hypothesis is rejected and the alternative hypothesis is accepted that operational efficiency is the predictor of business performance (customer, financial and internal perspective).

4.6 Summary

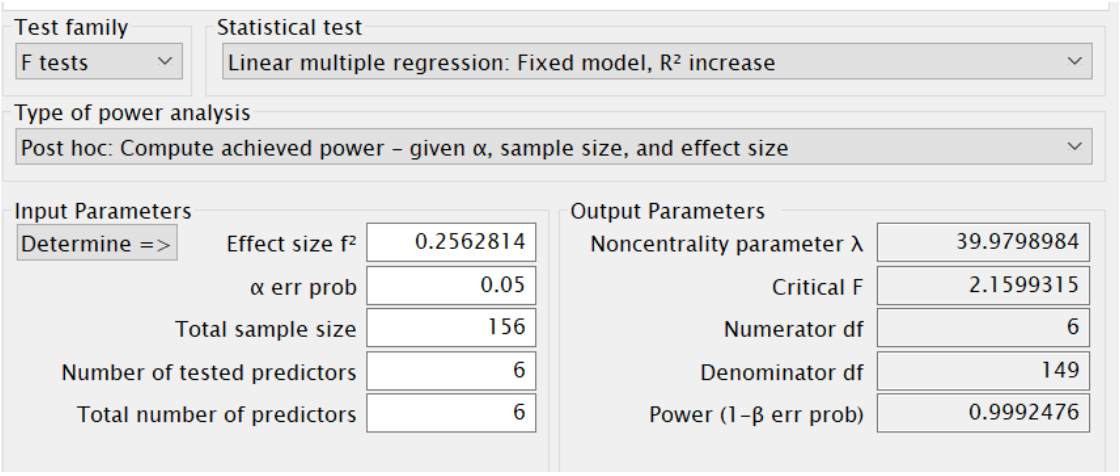
There were 156 respondents in the study that were used to test the hypotheses. The results show that the organisational culture factors which were high were uncertainty avoidance, employee empowerment and involvement and governance, while innovation and technology as well as rewards and recognition are on the low side. Based on the findings of the study, there was a statistically significant relationship between all organisational culture factors that are significant, but in combination, only innovation and technology are statistically significant. The operational efficiency is a predictor of business performance, especially the customer perspective and financial perspective.

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

The empirical data that was used for analysis in this study was based on 156 responses that were obtained from the different employees of the SOE. Gutterman (2015) argued that the credibility of the sample must be determined by the relevance of the sample as well as the adequacy of the sample. In chapter 3, the profile of the respondents was provided. There was a fairly acceptable representation of the employees in the SOE, with 40% males and 60% females, with 63% junior employees ,13% managers and specialists, 2 % supervisors and 2% senior managers. Employees with 5 years or less constituted about a third of the sample, while those with 6 – 10 years about 40% and more than 10 years about 24%. This confirms the relevance of the sample (Gutterman, 2015). In addition to the design that was proposed by Green (1991) on the sample size and the suitability of the factor analysis based on Kaiser-Meyer-Olkin Measure of Sampling Adequacy, the sample adequacy was analysed using GPower 3.1 (Table 10).

Table 10: Post hoc test for sample adequacy with GPower 3.1



The post hoc test based on F tests for multiple regression shows that the total sample of 156 was adequate for six predictors with effect size $f^2 = 0.256$ which was calculated from the proportion of variance $r^2 = 0.206$ from the overall regression model of the study. The statistical power ($1 - \beta$ err prob= 0.999), confirms the adequacy as it was higher than the

minimum accepted level of 0.800. Based on the above, it can be confirmed that there was credibility of the sample and thus credibility in the results of the study.

In this chapter, the results of the study which were presented in chapter 4 are discussed and are compared and contrasted with the literature review that was synthesised in chapter 2. This chapter closes by presenting an updated conceptual model based on the results of the study.

5.2 The state of organisational culture factors

The first objective of the study investigated the state of the organisational culture factors at the SOE and can be recapped as follows:

To determine the state of organisational culture factors at the RAF

Organisational culture is critical in the organisation as it can have a positive effect on employee job satisfaction and increases employee commitment (Saks & Gruman, 2011). It is important that there is a positive organisational culture and that organisations avoid a poor or rigid culture that lacks innovation and flexibility, as this has a negative effect on efficiency and productivity (Parker & Bradley, 2000). The presence of a positive organisational culture promotes free sharing of information, which in turn assists the organisation to grow as employees feel valued and appreciated (Saks & Gruman, 2011). In this study, there were six organisational culture factors that were investigated at the RAF. These were rewards and recognition, innovation and technology, governance, customer and value system, employee empowerment and involvement and uncertainty avoidance.

These six factors were preferred in this study because of the impact of their contribution to organisational performance and efficiency. These variables were relevant because they form part of the attributes of the open systems model of organisational culture, which is a developmental organisational culture and promotes innovation and vision (Aktas et al., 2011). Organisations with this type of dominant culture are able to come up with dynamic programmes to facilitate achievement of their turnaround strategies and this boosts organisational performance (Aktas et al., 2011). The combined effect of these

elements is a positive effect towards operational performance and efficiency (Hofstede et al., 2010).

The result of the study shows that there was good uncertainty avoidance at the RAF. This was based on employees knowing what is expected of them in their current roles and knowing how their role fits in relation to the changes in the RAF model. This is positive for the SOE because it is not beyond possible within SOEs that have government as a shareholder to have high levels of turbulence and uncertainty within an organisation (Thomson, 2012). In explaining the importance of an organisational culture that is not uncertain, Ahmed and Shafiq (2014) emphasized that uncertainty avoidance ensures direction and clarity for employees in their roles and contribution towards organisational success. In addition, the RAF had a positive culture of governance, employee empowerment and involvement and customer and values system.

Good governance ensures that controls are in place that are fair, reasonable, and transparent. These become essential especially when striving to combat challenges, such as corruption and financial mismanagement (Kanyane & Sausi, 2015). If the controls are reasonable, this has a positive effect performance as employees will remain motivated and committed towards achieving organisational goals (Wanjiru, 2015).

The positivity of employee empowerment is an important outcome for the RAF, because it creates opportunities for shared leadership amongst employees , fosters a culture of continuous learning and enhances opportunity for efficiency (Edelmann et al., 2020; Sartori et al., 2013). The results also highlighted a good state of customer focus and values system at the RAF. This was motivating as the employees indicated that they support the values of RAF and the values at RAF (both written and unwritten) were aligned to their own values. Research has shown that when employees support the organisational values, this has a positive impact on Organisational performance (Ahmed & Shafiq, 2014).

It was also motivating for the respondents to confirm that in general, the RAF prioritises good relations with the stakeholders who are mainly claimants and their representatives. Despite this, it was disappointing that the employees were of the view that claimants, including their representatives, were not satisfied with the RAF services. This is some of

the work that the RAF needs to engage on to improve on customer centricity. Organisations which have a customer focus value their customers, understand their needs and prioritise the satisfaction of those needs and expectations (Ahmed & Shafiq, 2014). This requires strategy formulation focused on the realisation of customer centricity as a strategic goal (Shah et al., 2007).

In terms of performance from the customer perspective, the results of the study revealed that there were challenges at the RAF with regards to innovation and technology, as well as rewards and recognition. These two had the lowest score which was lower than the selected mean score of a good organisational culture of $\mu_0 \geq 3.4$. Urgent attention is required on these as innovation is key for an organisation's ability to manage change and maintain competitive advantage (Baskar, 2013). To ensure that employees remain motivated towards innovation, a culture with effective rewards and recognition is important and this in turn, boosts organisational productivity levels (Baskar, 2013).

In summary, the results of the study revealed that there is a mixed organisational culture in the SOE with some of the factors in place promoting a positive organisational culture while others needing attention so as not to have a negative impact on the organisational operations.

5.3 Objective 2

The second objective of the study investigated the effect of the organisation culture factors on efficiency at the SOE and can be recapitulated as follows:

> To determine the effect of organisational culture on operational efficiency at the RAF

The results of the study revealed that when conducting a stepwise regression analysis, each of the six organisational culture factors are predictors of operational efficiency. This means that there is a link between these different organisational culture factors on the outcomes in the operations. These findings are congruent with literature related to this study. Salah (2016) explained that when an organisation has an effective rewards and recognition system, that satisfies the different types of employee needs, employees become motivated to be more innovative in how they perform their duties, which positively

contributes to efficiency and performance. Research also shows a link exists between the level of uncertainty avoidance and efficiency. The higher the uncertainty avoidance, the more employees will be inspired and committed to do their best. This has a positive effect on efficiency as it creates opportunities for better decision making and higher levels of accountability in operations (Hollensbe et al., 2014). Studies by Yacoob (2014) show that the customer focus and values system, assists an organisation in improving performance especially if the organisation understands customer expectations and address any gaps in their performance. It is in the process of addressing gaps that innovative approaches are adopted for value creation. These positively impact efficiency (Yacoob, 2014).

Although all of the six organisational culture factors were predictors, when modelled in combination in a multi-linear regression, the main predictor that is statistically significant is innovation and technology. The importance of innovation and technology cannot be under-valued within an operating environment where there is a continuous advancement in technology for use in business. Through the implementation of innovative technologies, organisations are able do things better and faster. As organisations enhance their innovative technologies, they will benefit from efficiency and sustained competitive advantage (Cascio & Montealegre, 2016).

5.4 Objective 3

The third objective of the study investigated the effect of the operational efficiency factors on performance at the SOE and can be recapitulated as follows:

To determine the effect of operational efficiency on the business performance

The results of the study reveal that operational efficiency is the predictor of all three business performance measures, which are financial perspective, internal business perspective and customer perspective. These results show that the customer perspective is the most highly predicted by operational efficiency, followed by the financial perspective then lastly, the internal business perspective. With r^2 being substantial as it is higher than 26 per cent (Cohen, 1988) for customer perspective (29,8 %) and financial perspective (26.2%), it is prudent to view these two business performance measures as the most critically predicted by operational performance.

It is when organisations are functioning within an open system that they are able to maximise the competitive advantage and realise improvements in performance as a result of improvements in efficiency. This occurs when there is an ongoing exchange between the innovative processes and incorporating the feedback from customers to provide value creation. It is the outcomes from a positive culture that allows for continuous improvements and efficiency that results in improvements in performance (Hofstede et al., 2010). The benefits of continuous learning and an innovative culture are improvements in efficiency. When these innovative information systems, procedures and structures are aligned, organisations are able to achieve good organisational performance (Bodemann et al., 2015).

5.5 Updated Conceptual model

The conceptual model which guided the study was presented in chapter 2 with its respective hypotheses. These hypotheses were tested in chapter 4 and based on these tests an updated conceptual model is presented in figure 2.

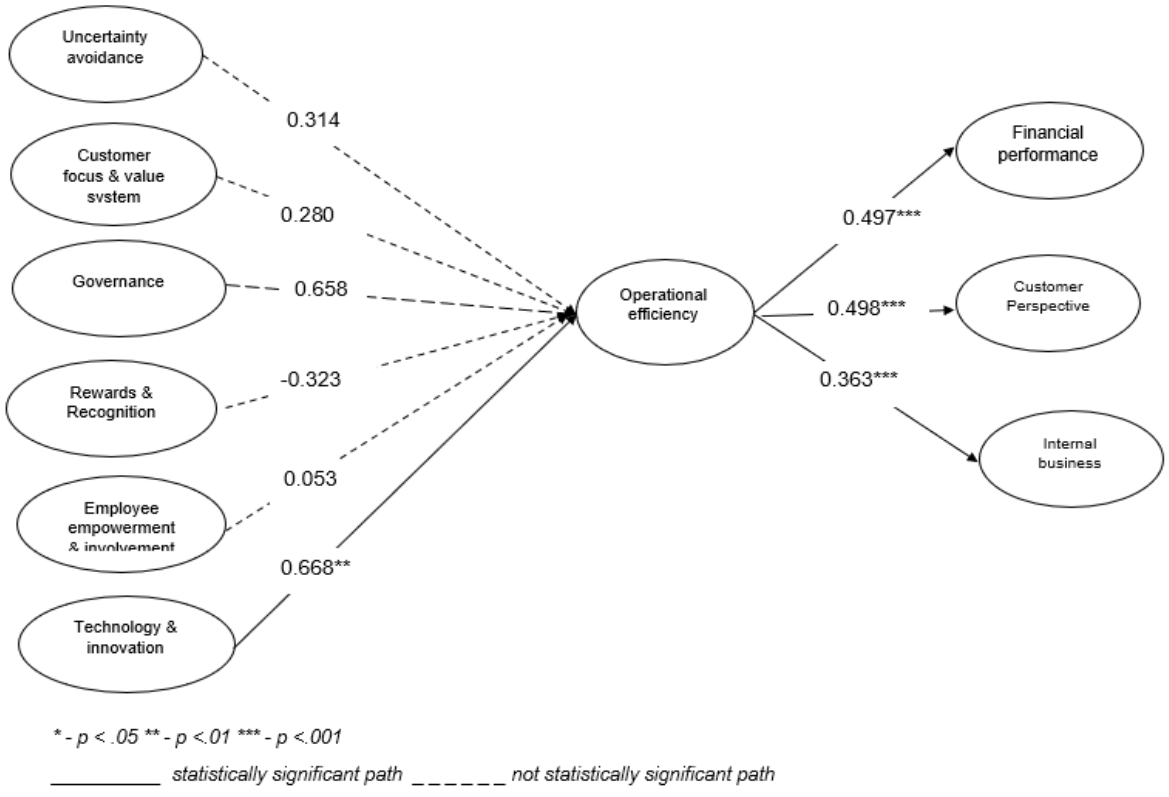


Figure 2: Updated conceptual model

5.6 Summary

This chapter discussed the results from the research where the discussion was conducted about the study findings in relation to the theory that was earlier discussed. The discussion provided insights on the importance of organisational culture and how it can help to improve operational efficiency with the operational efficiency in turn, critical for business performance, especially from the customer and the financial perspective. The context in which the results are based is explained in the limitations in the last chapter. In addition, this chapter provides recommendations for management and future studies which are aligned to the results and the discussions.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

In chapter 1, the problem was identified which was the RAF is experiencing consistently poor financial performance on a consistently high deficit (RAF, 2020). The financial challenges experienced at the RAF are common within SOEs. The research proposed that efficiency is a possible driver of the poor performance and that the efficiency challenges are arising from organisational culture related deficiencies. The research proposed that there is a negative organisational culture at the RAF in that the leadership is implementing a closed systems culture. Six organisational culture factors were investigated on their relationship with operational efficiency and operational efficiency on business performance using a cross-sectional descriptive quantitative research method where 156 responses were obtained from the SOE. In this chapter, the principal findings of the study are presented, followed by the limitations of the study, then managerial implications. The chapter closes by presenting the overall conclusion of the study and proposed direction for future research.

6.2 Principal findings of the study

There were six principal findings in the research which provide the overview about the organisational culture, operational efficiency and business performance at the RAF:

- The organisational culture factors that are higher were uncertainty avoidance, governance, customer focus and values system as well as employee empowerment and involvement.
- With some of the higher organisational culture factors, it was noteworthy that although the SOE strives to create good relations with customers, customers are not satisfied with their services.
- There are organisational culture factors that are lower were innovation and technology as well as rewards and recognition.
- Organisational culture factors, when assessed individually, influence operational efficiency, but when combined, innovation and technology is the main statistically significant predictor of operational efficiency.

- Operational efficiency is seldom to sometimes in place at the RAF with only 5% indicating that operational efficiency was in place most of the time.
- Operational efficiency is a predictor of performance, from the customer perspective, as well as the financial perspective.
- Based on the rankings, the respondents were of the view that performance was not good at the SOE. These results show that the customer perspective is the most highly predicted by operational efficiency, followed by the financial perspective then lastly, the internal business perspective.

6.3 Limitations of the study

In addition to the administrative and technical weaknesses which were mentioned in chapter 3, there were several limitations which should be highlighted which contextualise the results of the study. It was a perceptual survey and in terms of the responses, it can be affected by factors taking place at the time of the survey. The responses could also be influenced be any changes taking place within the organisation at that particular point. Possible fears of responses being traceable may have impacted the level of honesty of feedback provided by participants.

6.4 Implications for management of the RAF

The RAF is in the process of undergoing various changes. Central to these changes are initiatives to improve the efficiency of the operating model, improving the claims processing turnaround times so that claims can be settled within 120 days from lodgement, cancellation of the panel of attorneys' tender resulting in a reduction of legal costs, introduction of various controls and an integrated claims system (RAF, 2020). Based on the findings the following recommendations are made for the management of RAF:

Governance factors

Adequate controls, policies, and procedure should be in place to ensure good governance within the SOE. It is recommended that the SOE should engage in continuous

improvement initiatives. This can be through implementation of more innovative technologies for governance over claim processes and payments.

Uncertainty avoidance

The SOE is doing well in terms of uncertainty avoidance. It is recommended that the SOE continue with engagements with teams at all levels, ensuring they are clear on their positions and how these fit into the RAF model.

Values and Customer focus

The research found that although the SOE values a customer focus, the majority of the respondents were of the view that the customers (claimants and their representatives) are generally unsatisfied with RAF services. It is recommended that the SOE adopts a customer strategy to rectify this. It should factor into account a CRM system that will be utilised and should adopt processes that will be used for assessing, tracking developments as well as enhancing customer satisfaction. The RAF should be clear on how the customer dissatisfaction can be addressed in line with the SMART principles. Regular engagements with customers, providing feedback on developments with the strategy, may be beneficial in reducing dissatisfaction levels.

This will require leadership commitment and a budget set aside to ensure that the necessary financial, human capital resources and technologies are available to achieve this goal.

Rewards and recognition

It is recommended that the RAF engages in a re-engineering of the current rewards and recognition system in place. This can be implemented after a qualitative study on the current needs and expectations of RAF employees as well as any changes in job requirements post COVID 19. This can impact possible changes in terms of the employee grade levels performance bonus requirements and general source of motivation for the team.

Empowerment and involvement

The SOE is doing extremely well on employee empowerment and involvement. It is recommended that it should engage in continuous improvement in this regard. This is a reasonable finding of the research, especially considering that many of the RAF employees, even at the junior level are degree graduates. What is interesting is that the rewards and recognition scored in the bottom 2, meaning that although the RAF has empowered its employees, the employees may not feel valued, which may, in the long run, impact on levels of employee morale, reduce innovation, leading to reduced efficiency and performance. This should be addressed soon as it may negatively impact the RAF's turnaround strategy which is centred on efficiency.

Technology and innovation

This is the main area that the RAF needs to improve on. Innovative technologies are needed in the organisation. These technologies can be adopted as part of the RAF business strategy and also as part of a customer strategy. This is to ensure that technological innovations are introduced to both enhance internal business operations in terms of the claims processing and efficiencies thereof, but to also provide a platform for dialogues and accessibility of the SOE to all claimants. A possible solution could be the investment in a CRM system in order to better manager relations with its customers. This is even more important now post COVID 19, as there is less physical contact with claimants. Other possible introductions could be implementation of a 'call me back' facility for claimants or electronic query stations placed within hospitals for logging a request for status updates on claims.

In terms of technological innovations dealing with internal operations, the respondents seemed divided on whether or not it easy to provide claimants with status updates purely based on information on the claims system without needing the physical file. This is a gap that needs to be addressed, through improvements in the RAF claims system.

The current claims processing objective for the RAF is the settlement of claims within 120 days. A significant portion of participants indicated that currently this objective is not being achieved. It is recommended that the RAF implements system upgrades that make it

easier for employees to see the age at which a claim is at in terms of the 120 days and that system generated alerts be forwarded to that employee, supervisor, team leader and manager to facilitate better tracking in terms of why that matter has still not been settled. The number of alerts and time period it takes to remove a matter from the list should be incorporated into performance scoring. This will have an effect on the efficiency objectives of the SOE and will enhance the customer centricity.

6.5 Recommendations for future research

The current study showed that innovation and technology is the main area that the RAF needs to improve on. This may be common even amongst other SOEs as Innovation and technology is an important aspect for an organisation's ability to manage change and maintain competitive advantage. It is recommended that a study be undertaken on the impact of a technology and innovation strategy in improving the business performance of SOEs. The study should furthermore determine and present findings on trends regarding the current alignment in the technology and innovation strategy and the business strategy of SOEs and how nonalignment may impact performance . The study should furthermore monitor changes in the trends of operations in SOEs pre COVID-19 versus trends in operations post COVID -19 and recommend strategies for how performance can be maximised through a culture of an aligned technology and innovation strategy and business strategy being adopted. The findings could address and reduce some of the challenges currently experienced with the performance of SOEs.

6.6 Overall conclusions of the study

Culture can be used for creating good working relationships, enhancing communication, and assisting employees in making good decisions where an organisation does not have set policies or directives in place (Kumar, 2016). The organisational culture within an organisation affects all stakeholders of the organisation and contributes towards their norms, expectations and how interactions take place both externally and with internal stakeholders (Kumar, 2016).

In conclusion, the state of organisational culture factors at the SOE was presented. The six organisational culture variables tested were found to all contribute to operational efficiency. The research found that operational efficiency at the SOE has a direct effect on the performance. The general performance at the SOE was found not to be good. Improvements in performance may result from implementation of the recommendations presented in the research.

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APPENDIX A: RESEARCH TOOL

Dear Participant.

I am Thokozani Mayana, a final year MBA candidate at the Wits Business School. I am currently doing an Applied Research Project on the effect of the RAF's organisational culture on efficiency and performance.

This research aims to investigate factors leading to problems experienced with the organisational culture at the RAF, to present findings on culture, to interpret and analyse the findings and to recommend strategies for culture at the RAF.

I would appreciate it if you could take time to complete my survey, which will take between 10 – 15 minutes. There will be no personal costs to you if you participate in this project. You will not receive any direct benefits from partaking and there are no disadvantages or penalties if you do not participate or if you withdraw from the study.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below .

If you are choosing to participate ,please click on the blue arrow on the bottom corner of the page ,which will take you to the research questions .

CLICK TO PROCEED

QUESTIONNAIRE

SECTION A – Participant profile

Please indicate your which of the below is applicable by ticking or marking with an "X" the relevant box: -

1. **How long have you been employed at the RAF:**

Less than 2 years	1
2 -5 years	2
6 – 10 years	3
More than 10 years	4

2. **Are you a male or female**

Male	1
Female	2

3. **Level of employment:**

Assistant, junior officer or officer	1
Supervisor or team lead	2
Management (junior, middle)	3
Senior Manager or Executive	4

4. **Age:**

25 or less	1
25 - 35	2
36 - 45	3
46 and above	4

SECTION B: Please "TICK" or mark with an "X your response in the appropriate box

(Questions incorporporated from Ahmed and Shafiq,2014)

UNCERTAINTY AVOIDANCE:

	Strongly Disagree	**Disagree**	**Neither Agree nor Disagree**	**Agree**	**Strongly Agree**
	1	**2**	**3**	**4**	**5**
My manager encourages me to come forward with ideas including suggestions.					
My manager creates an environment that supports empowerment					
I know what is required of me in my current role.					
I understand how my role fits in relation to changes in the RAF model.					

CUSTOMER FOCUS:

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	1	2	3	4	5
In general, the RAF prioritises good relations with its stakeholders (claimants including their representatives)					
Claimants including their representatives are generally satisfied with the RAF services.					
I understand the importance of systems integration and open systems.					
When I receive complaints, I am always able to attend to them.					

GOVERNANCE :

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
	1	2	3	4	5
Policies are in place and avoid undue influence in procurement .					
Controls are in place to avoid any potential collusion .					
The policies including procedures and their controls currently within the RAF are fair and reasonable.					
There is political interference with processes within the RAF.					

VALUE SYSTEM FACTORS (WRITTEN &UNWRITTEN):

	Strongly Disagree	**Disagree**	**Neither Agree nor Disagree**	**Agree**	**Strongly Agree**
	1	**2**	**3**	**4**	**5**
The values at the RAF are aligned (Written & unwritten).					
I support the values of the RAF.					
I am given an opportunity to influence what is going on in my department.					
The RAF values teamwork more than individual work.					

REWARDS & RECOGNITION

	Strongly Disagree	**Disagree**	**Neither Agree nor Disagree**	**Agree**	**Strongly Agree**
	1	**2**	**3**	**4**	**5**
I am aware of the rewards & recognition system in place at the RAF.					
If I work hard, I am appreciated and recognised at the RAF.					
The rewards and recognition system at the RAF is fair and reasonable.					
The current rewards and recognition system at the RAF motivates me to go the beyond the call of duty.					

TECHNOLOGY & INNOVATION :

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	1	2	3	4	5
The innovative technologies employed at RAF make claims easy to process.					
RAF employs innovative ways to track progress of claims for the claimants					
The RAF employs an integrative claims system (It's easy to respond to claimant queries based on information on the claims view system regardless of what region you are in, without needing the physical file.)					
The innovative technologies employed at the RAF provide a source of control to prevent corruption.					

SECTION C

Please rank your response in the appropriate box where: 1. Never; 2- 4 Seldom, 5- 7 sometimes 8-9 most of the time; 10 – always

The effect of Organisational culture on efficiency

	1	2	3	4	5	6	7	8	9	10
EFFICIENCY										
Claims are settled within 120 days										

Business Performance at the RAF

	1	2	3	4	5	6	7	8	9	10
Financial perspective										
Overall, the RAF is performing well financially										
Customer perspective										
Claimants are satisfied with RAF's services.										
Internal business perspective										
Overall, there is a high level of productivity at RAF.										