*Original Research Article*

**The effects of clan culture on corporate growth within Tanzania Commercial Bank**

**: A Case Study of Tanzania Commercial bank (TCB)**

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ABSTRACT

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| This study aimed to analzed relationship between clan culture influences corporate growth at Tanzania Commercial Bank (TCB) and to provide strategic recommendations for aligning organizational culture with performance. A mixed-methods approach was used, combining qualitative and quantitative data. The study involved a case study of TCB during its merger, collecting data from 142 participants through questionnaires and interviews. Data were analyzed using pearson correlation. Results show that there was significant relationships between these cultural dimensions and Corporate growth. The study concludes that enhancing clan culture within TCB is crucial for driving corporate growth and improving overall Corporate success, indicating that strong organizational culture significantly contributes to the bank's competitive advantage. The study recommends that it is important to enhance communication, fostering collaboration, implementing consistent decision-making, strengthening employee engagement, encouraging innovation, and regularly assessing cultural impact to leverage clan culture for corporate growth at Tanzania Commercial Bank. |

*Keywords: Organisation culture, Clan culture, Corporate growth,* Commercial Bank

1. INTRODUCTION

The selection and implementation of organizational culture are critical determinants of corporate success, and among the various types, clan culture plays a significant role in shaping organizational performance. Clan culture, which emphasizes collaboration, trust, and a supportive work environment, has proven beneficial for global companies like Disney, where the fostering of a positive work environment has contributed to exceptional customer service and innovation (Xi Cheng, 2023). In contrast, companies that overlook the importance of clan culture often struggle to maintain competitiveness, particularly in industries reliant on innovation and employee engagement. Neglecting a culture that promotes collaboration can lead to missed opportunities for growth, as seen in firms where organizational disunity limits performance outcomes (Palad, 2022).

In Sub-Saharan Africa, the banking sector has experienced substantial growth and transformation, driven by improved regulatory frameworks and increased market competition. However, research has rarely explored how clan culture influences organizational success in this region, particularly in fast-growing economies like Tanzania. The Tanzanian banking sector has shown notable progress in recent years, boasting impressive growth in Corporate metrics and overall sector stability. For instance, according to the Bank of Tanzania (2022), the sector grew by 11.2% in 2021, demonstrating remarkable resilience. Despite these achievements, there remains a gap in understanding how non-Corporate factors, such as clan culture, contribute to these outcomes. While growth is frequently measured through Corporate performance, little attention is given to the role of organizational culture in promoting employee engagement, teamwork, and trust within banks (Ngairo, 2013).

Tanzanian Commercial Bank (TCB) serves as a prime example of an organization where the potential of clan culture remains underexplored. Despite the national banking sector’s growth, TCB has lagged behind industry trends, with total deposits increasing by only 3.4% in 2021, compared to the national average of 11.2% (Bank of Tanzania, 2022). This disparity raises questions about the effectiveness of TCB’s internal culture in driving organizational success. While the bank may promote collaboration and trust in its mission statements, these values may not be fully reflected in daily operations or employee perceptions. Such misalignments between stated cultural values and actual organizational practices could hinder the bank’s ability to leverage its workforce for sustained growth and innovation.

The situation at TCB suggests that clan culture, when not effectively implemented, can stifle an organization's potential for success. Inconsistent leadership signals, poor communication of cultural values, and lack of support for a cohesive work environment may be inhibiting TCB’s growth. Leaders play a critical role in shaping culture, and when they fail to communicate or reinforce the importance of collaboration, organizations struggle to achieve cohesion and trust among employees. Effective leadership in clan cultures emphasizes shared values, ethical behavior, and mutual support, fostering a work environment where employees are more engaged and committed (Chang & Raver, 2019; Lamech, 2022).

There is also a notable gap in empirical research examining how clan culture influences corporate growth in Tanzania’s banking sector. While clan culture is widely recognized globally as a driver of organizational success (Lamech, 2022) limited studies have investigated its impact on corporate growth in the Tanzanian context. This research seeks to address this gap by analyzing the influence of clan culture on the performance of TCB, offering insights into how better alignment of clan culture with strategic objectives could enhance growth. Through this study, we aim to provide practical recommendations for leveraging clan culture to improve organizational performance, thus contributing to the broader body of knowledge on organizational culture in Tanzania's banking sector.

1. **LITERATURE REVIEW**

This study is grounded in two theoretical frameworks: Systems Theory and the Functionalist Theory of Culture, both of which provide a robust foundation for understanding the impact of clan culture on corporate growth within Tanzania Commercial Bank (TCB). These theories highlight the interconnectedness of organizational culture, structure, and performance, with particular emphasis on how clan culture—characterized by collaboration, trust, and strong interpersonal relationships—affects corporate dynamics.

Systems Theory, introduced by von Bertalanffy (2019), emphasizes the interdependence of various components within an organization and their collective role in achieving overall functionality (von Bertalanffy, 2019). In the context of TCB, Systems Theory helps to underscore how different elements of clan culture, such as teamwork, shared values, and employee engagement, contribute to strategic outcomes. Effective implementation of clan culture can enhance organizational cohesion, which in turn facilitates smoother strategy execution and transformation (Checkland, 2020). In the banking sector, where customer trust, service quality, and innovation are paramount, a well-integrated clan culture could serve as a catalyst for growth by promoting collaboration among employees and improving service delivery.

The Functionalist Theory of Culture, largely associated with scholars such as Hofstede and Schein, posits that culture serves as a framework guiding decision-making, behavior, and interaction within organizations (Sułkowski, 2014; Hampden-Turner & Trompenaars, 2020). Functionalist approaches view clan culture as essential to creating a supportive work environment that fosters teamwork and employee satisfaction, which are critical to long-term corporate growth. In contrast, structuralist perspectives focus on the cultural systems and structures that define social relationships within organizations (Harrison & Corley, 2021). This dual theoretical perspective is essential for understanding how the cultural fabric at TCB can either facilitate or impede its corporate growth.

Empirical studies provide insight into the role of clan culture in shaping organizational outcomes across different contexts. In a study conducted by Li et al. (2023) on Chinese companies, clan culture was found to foster innovation by promoting collaboration and shared goals. However, it also revealed a potential downside—excessive reliance on internal consensus may limit adaptability in rapidly changing markets. This dual effect of clan culture is not unique to China; similar findings were noted in India by Patel and Kumar (2022), where clan culture enhanced employee loyalty and teamwork but constrained the company's ability to adapt to market shifts. In Nigeria, research by Adebayo et al. (2021) highlighted how clan culture contributed to organizational resilience by fostering strong interpersonal bonds and a supportive work environment. However, it also posed challenges in integrating into the broader market environment, as a tightly-knit internal culture may sometimes resist external influences that are crucial for growth.

Tanzanian studies specifically focusing on the banking sector, such as those conducted by Mwanga and Mwaipopo (2023), provide further insights. They found that clan culture in Tanzanian Corporate institutions, including TCB, contributed positively to employee cohesion and customer service quality, leading to improved organizational stability. However, Nyambura et al. (2022) observed that while clan culture supports internal growth and teamwork, it can impede innovation and adaptability in a fast-evolving Corporate landscape. This suggests that while clan culture brings clear benefits in terms of employee engagement and organizational cohesion, it must be balanced with other cultural factors that promote flexibility and responsiveness to external market demands.

Given the challenges observed in prior studies, this research aims to fill the gap by focusing on the specific influence of clan culture on corporate growth at TCB. While global and regional studies have acknowledged the dual role of clan culture, there is limited empirical evidence on how these dynamics play out within Tanzanian Corporate institutions. By examining TCB as a case study, this research seeks to provide a clearer understanding of how clan culture influences corporate performance in the Tanzanian banking sector. The study will also explore how leadership, employee engagement, and customer service can be enhanced by fostering a clan culture, ultimately contributing to corporate growth and competitiveness in the market.

3.0 material and methods

This study employed a mixed-methods approach, integrating both qualitative and quantitative research techniques to ensure a comprehensive analysis of the influence of clan culture on corporate growth within Tanzania Commercial Bank (TCB). The triangulation method was utilized to capture diverse perspectives and ensure the reliability of the findings by cross-verifying data collected from various sources. A case study research design was adopted, focusing on TCB's headquarters in Dar es Salaam during the bank's merger project. The case study design was chosen because it allows for an in-depth examination of the influence of clan culture within a specific organizational context, facilitating a detailed analysis of both Corporate and non-Corporate growth indicators at TCB. This design helped to explore the practical implications of clan culture on corporate growth strategies, employee engagement, and organizational performance.

The study targeted a population of 205 employees working at TCB, covering various departments and hierarchical levels, including top management and operational staff. Purposive sampling was employed to select 142 respondents—comprising 136 employees and 6 top managers—based on their relevant knowledge and experience related to organizational culture and corporate growth. Purposive sampling was used to ensure that the selected respondents could provide rich, insightful data regarding how clan culture influences corporate strategy, employee productivity, and customer service quality.

Primary data was collected using questionnaires survey involving both closed-ended and open-ended questions to the employees. Additionally, in-depth interviews using interview guide were conducted with the 6 top managers to gain qualitative insights into how leadership practices and clan culture dynamics at TCB impact corporate growth. Secondary data was gathered from TCB’s Corporate statements, annual reports, and sector publications, alongside scholarly articles on organizational culture and corporate growth. Pearson correlation was used to assess the relationship between clan culture and Corporate growth metrics. However, content analysis was employed to analyze this data, providing a structured approach to interpreting the themes and insights gathered from these interviews.

4.0 results and discussion

The study was premised to gain meaningful understanding of the effects of clan culture on corporate growth within Tanzania Commercial Bank (TCB).

Inferential statistics comprised of correlation analysis as well as regression analysis as expounded hereunder:

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| --- | --- | --- | --- | --- |
| **Variable** | Clear Communication | Consistency | Stability | Corporate Growth |
| **Clear Communication** | 1.000 | 0.880 | 0.850 | 0.710 |
| **Consistency** | 0.880 | 1.000 | 0.850 | 0.690 |
| **Stability** | 0.850 | 0.850 | 1.000 | 0.680 |
| **Corporate Growth** | 0.710 | 0.690 | 0.680 | 1.000 |

 **Table 1: Correlation Matrix showing the relationship between clan culture and corporate growth**

Table 1 presents the correlation matrix for various aspects of organizational culture and their relationships with Corporate growth at TCB Bank. The analysis of Pearson correlation coefficients reveals the strength and direction of these relationships.

1. **Clear Communication and Corporate Growth (r = 0.710)**

The correlation coefficient of 0.710 indicates a strong positive relationship between clear communication and Corporate growth. This suggests that higher clarity in communication within TCB is associated with better Corporate performance. The p-value of 0.000 confirms the statistical significance of this relationship.

1. **Consistency and Corporate Growth (r = 0.690)**

A strong positive correlation of 0.690 is observed between consistency in strategy implementation and Corporate growth. This implies that consistent application of strategies contributes positively to the bank’s Corporate success. The significance level of 0.000 reinforces that this correlation is statistically significant.

1. **Stability and Corporate Growth (r = 0.680)**

The correlation of 0.680 suggests a strong positive relationship between stability in performance and Corporate growth. This indicates that stable performance is closely linked to improved Corporate outcomes. The p-value of 0.000 further supports the significance of this correlation.

Overall the correlation analysis reveals that various aspects of clan organizational culture, including clear communication, consistency, all have strong positive correlations with Coorporate growth at TCB Bank. The high correlation coefficients and statistically significant p-values indicate that these cultural dimensions are closely associated with improved Corporate performance. The strongest correlation is observed with goal setting, highlighting its critical role in driving Corporate success.

# 4.0. Discussions of Findings

The findings from the correlation analysis reveal several significant relationships between dimensions of organizational culture and Corporate growth. Notably, factors such as clear communication, consistency, stability, trust, collaboration, loyalty, goal setting, market aggressiveness, and planning exhibit strong positive correlations with Corporate growth, as evidenced by high Pearson correlation coefficients and significant p-values. These results suggest that effective communication, consistency, and stability within an organization are closely linked to Corporate success. This finding aligns with the work of Chang Li et al. (2023), who emphasized the role of transparent communication and alignment with long-term goals in promoting organizational performance. Furthermore, the positive correlation between trust and Corporate growth supports the findings of Patel and Kumar (2022), who concluded that trust and loyalty within clan cultures positively contribute to employee performance and, subsequently, corporate growth.

The correlation matrix highlights the strength of relationships between organizational culture dimensions and Corporate growth. Clear communication shows a strong positive correlation with Corporate growth, indicating that higher levels of clarity in communication within TCB are associated with better Corporate performance. Consistency and stability also demonstrate significant positive correlations with Corporate growth, suggesting that consistent decision-making and organizational stability are crucial for the bank's sustainable growth. These findings provide empirical support for the importance of cultural dimensions in driving corporate growth, reinforcing the theoretical perspectives that emphasize the role of internal cohesion and trust in fostering organizational success. The study underscores the critical role of clan culture in fostering corporate growth at TCB. Clear communication, consistency, stability, trust, and collaboration are key cultural dimensions that contribute to Corporate growth, as supported by both quantitative and qualitative data. While clan culture promotes strong internal cohesion, it also presents potential challenges in terms of market adaptability. The findings contribute to the broader literature on organizational culture and corporate growth by providing empirical evidence from the Tanzanian context, highlighting the need for balancing internal cultural strengths with external market demands for sustained Corporate performance.

5.0 Conclusion

The findings of this study aimed to explore the effect of clan culture on corporate growth within Tanzania Commercial Bank (TCB). The findings are categorized into descriptive statistics, qualitative analysis from interviews, and inferential statistics, providing a comprehensive understanding of the influence of clan culture on corporate growth.

The qualitative findings, based on interviews with top managers, provided further insight into the impact of clan culture on corporate growth. Key themes identified include trust and collaboration, loyalty and engagement, open communication, and a strong sense of community. Managers emphasized that trust among staff and management fosters better collaboration and teamwork, leading to greater organizational success. Loyalty and engagement were highlighted as results of a supportive work environment, with open communication contributing to transparency and quick problem-solving. The sense of community within TCB was also seen as a significant driver of employee satisfaction and performance, further reinforcing the positive impact of clan culture on the bank’s growth.

In the inferential statistics section, correlation analyses were used to explore the relationships between various dimensions of clan culture and Corporate growth at TCB. The correlation analysis revealed strong positive relationships between clear communication (r = 0.710), consistency (r = 0.690), and stability (r = 0.680) with Corporate growth. These findings suggest that higher levels of communication clarity, consistent decision-making, and organizational stability are closely linked to better Corporate performance at the bank. The significance of these relationships, as indicated by p-values of 0.000, underscores the importance of these cultural dimensions in driving Corporate success.

1. **RECOMMENDATIONS**

**Enhance Communication Strategies:** Develop and implement structured communication channels to ensure clarity and transparency across all levels of the organization. Regularly conduct workshops to train employees on effective communication practices.

**Foster a Collaborative Work Environment**: Create initiatives that promote teamwork and collaboration, such as cross-departmental projects and team-building activities. Encourage a culture where employees feel valued and engaged in group efforts.

**Implement Consistent Decision-Making Processes:** Establish clear guidelines and frameworks for decision-making to ensure that all decisions are consistent and aligned with the bank’s strategic objectives. Provide training for managers to uphold these standards.

Strengthen Employee Engagement Programs: Develop comprehensive employee engagement initiatives that include recognition programs, mentorship opportunities, and career development plans to enhance job satisfaction and loyalty.

**Encourage Innovation and Creativity:** Set up innovation forums or suggestion boxes where employees can propose new ideas and solutions. Allocate resources for employees to explore these ideas, fostering a culture of continuous improvement.

**Regularly Assess Cultural Impact:** Conduct periodic surveys and assessments to evaluate the effectiveness of the clan culture and its impact on corporate growth. Use this data to make informed adjustments to policies and practices that support a positive organizational culture.

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