

Power Distance Culture and Organizational Performance of Small and Medium Scale Enterprises in Bayelsa State

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Abstract-*This study examined Power Distance Culture and Organizational performance of small and medium scale enterprises in Bayelsa State. The study was necessitated by the fact that, SMEs are considered as engines for economic growth and development. Although, government has made significant effort in the establishment and development of the sector, there is still much to be desired in meeting and reaping the expected benefits. The study population consisted of officially registered SMEs in Bayelsa State, numbering 1450. The sample size of 313 respondents was selected using multi-stage sampling techniques. The internal reliability of the items was determined using Cronbach Alpha and reliability coefficient of 0.71 was obtained. Quantitative data were analyzed using statistical package for social sciences (SPSS). Descriptive and inferential statistics were used to describe and interpret the data. The research hypotheses were tested using Spearman Rank Order correlation coefficient (Rho). With 217 questionnaires that was retrieved out of 313 questionnaires distributed, findings were made and following conclusions drawn. The study shows that, there is positive relationship between power distance culture and the measures of performance. Therefore, the following recommendations were made: SMEs should put in place organizational structures. It recommends that rules and regulations should be put in place in organizations and decision making should be sole responsibility of management in order to enhance the performance of SMEs.*

Keywords- *Power Distance Culture; Performance; Innovativeness; Market Share*

1. INTRODUCTION

Culture incorporates the belief systems, which in turn underline the perception, interpretation and management practices of entrepreneurs in a given social order (Osadebe, 2015[32]). Culture involves at least three components: what people think, what they do, and the material product they use / produce. Thus, the responsibility of culture is pivotal in the performance of business organizations, and the level of business involvement in a state is affected by cultural norms (Ligthelm and Cank, 2002[21]). Culture is characterized by constant change, activity, or progress, and therefore, culture can be considered as dynamic. By the 1960s Kenya and Tanzania are in the midst of the first African nations, post-independence, to establish policies geared towards supporting small enterprises and industrial estates. Entrepreneurial training programmes were also introduced by government in Botswana, Kenya and Ghana (Uribe-Echevaria, 1992[41]). In Nigeria, after several years of disregard and exclusion in the schemes of improving the sector, considerable attention is presently being focused on SMEs and the imperative of including them in the nation's development calculus (Yumkella, 2001; Umehali 2010). About 70 percent of our population in Nigeria is engaged in this sector (Sanusi, 2003[34]; Olaitan, 2006[30]; Anwatu, 2006[2]). Government has

realized that for meaningful development and improvement, fiscal support of SMEs is key as it is concentrated largely of the poor in society (Osadebe, 2015[32]). To give effect to this aspiration, various policies have been instituted over time by the government to improve the performance SMEs, enhanced their full potentials and put the sector on a front lane developmental (Olaitan, 2006[30]). Given the general acceptance of SMEs as a bedrock for enduring economic fortunes (Olorunshola, 2001[31]), and a broad foundation for economic growth, developing countries including Nigeria, have shown increased interest in their promotion and establishment. The expectation of this sector in the improvement of the economy, eradication of poverty and employment generation are still far from achieving (Ihua and Siyunbola, 2012[12]; Odunayo, 2014[28]). Literature has indicated that SMEs have performed below expectation for several reasons. A number of internal factors vary from mind-set and behavior of SMEs to environmental associated factors (Makinde, 2015[23]). However the objectives of this study is to determine extent to which power distance relates to innovativeness of SMEs in Bayelsa State and to ascertain the extent to which power distance relates to market share of SMEs in Bayelsa State. Not minding the vast literature on policies of government and programmes for the improvement of SMEs sector in Nigeria, the cultural factors affecting their

performance have not been addressed. As a result, the literature gap becomes so obvious and critical when it is acknowledged that the cardinal purpose of government programmes and efforts is to enhance rapid expansion and sustainable success of SMEs as mechanism and bedrock for economic development and growth. Therefore, the study will bridge the obvious gap of literature in this regard.

2. Review of Literature

2.1 Power Distance

Power distance defines the acceptability of difference in position and authority involving people in an organization or society. Power distance is a degree of the interpersonal control or authority between employees and their boss (Hofstede 2001[10]). According to Hofstede, it explains how a superior in a social ladder can influence the behavior of a subordinate compared to the extent that the subordinate can also control the behavior of the boss. In the view of Kreiser, Marino and Weaver (2001), strong power distance demonstrate a lopsided distribution of power, strong levels of structures and also, control framework are present. This showed further that, there is minimal communication among organizational levels and prominence is positioned on subordinates being respectful and complaint to those in position. Tsui, and Windsor (2001[40]) note that, in highly centralized organizations, a job-focused employment relationship is more common. The authors described this relationship as one concerned mainly with supporting a tall level of productivity from subordinates, without requiring their dedication to the overall organization's success. In this relationship, the prospect of the employer in intending output required of the employee is clearly specified. McKenna (1998[25]) put forward that key administrative concern in organization is inadequate to ensuring that employees do their jobs precisely the way they are explained in a strong power distance organization. Organizations that function in a strong power distance cultural environment, a boss is anticipated to formulate decisions without conferring with their employees, because employees may see their participation in decisions by their bosses as an indication of ineffectiveness or flaws on the own part of the boss (Francesco and Chen, 2000). Subordinates are also ready to convey their views and not agree overtly owing to fear of losing face or making someone else loses face. Unsurprisingly, such influential force direct and influence the thinking and behaviors of the society (Erez, 1994[5]). The implications of this culture is discussed as an important cultural dimension, for several organizational behavioral concern, such as employee participation, job descriptions, organizational information, policy formulation, executive control, moral behavior, structure and adaptation. Employee participation is the process of action of a subordinate and the authority to formulate policies relating to their work procedure and supporting them to own responsibilities of their actions. A good

number of studies on employee participation have been done in the West. The facts points that employees see boss who offer them more liberty to carry out job more favorably. (Marchese, 2001[24]). Though, the responsibility of employees' participation on job accomplishment may differ across society (Córdova, 1982[3]). This is particularly applicable to small and big power distance societies (Lincoln, Hanada and Olson, 1981[22]). Studies by Brockner et al.,(2001) and Gomez, Kirkmann, and Shapiro (1999) suggests that subordinates with big power distance morals desire minimal level of input as it relates to those organizations with small power distance ideals. Erez (1994[5]) and Triandis (1994[37]) put forward that the reason of participation is to certain degree awkward to consider and complicated to accomplish in a big power distance settings. This is possibly so given that workers with big power distance values are expected to fancy policies designed by the boss to democratic decision-making; workers wait to be instructed what assignment to carry out and refused to take extra tasks. Hofstede (1984[9]) suggests that employees of big power distance milieu frequently feel lost in a small power distance institutions as a result of the need for reliable supervisors to give them unambiguous directions. Lachman (1988[19]) advised that early socialization affects core values and late socialization affects only peripheral values. When confronted with express demand to conform with organizational requirements and managerial policies, employee outer values might be transformed while their nucleus values may not. Holland (1976[11]) also put forward that workers are inclined to change organizational task requirements if they are unrelated with their core values. In fact, if the role requirements are incompatible with core ideals of workers, employees may modify their jobs rather than their morals. In a characteristic encounter between the boss and subordinate, a superior does the talking and subordinate just nods head in confirmation. Khare (1999[16]) suggested that, as a consequence of organization's spatial arrangement in Indian institutions, the interaction between boss and subordinates are restricted to official channels. Moreover, meticulous and firm job descriptions for each worker give rise to a compartmentalization of work. This brings few informal interactions between bosses and employees. Hofstede (2001[10]) opined that organizations and cultures associated with big power distance is limited to unofficial interaction across levels in the channel of decision making and support the attention of managers including decision-making in a small number of people at the apex of the organization. The interaction gap between bosses and subordinates in a tall power distance will be bigger than between bosses and employees in a low power distance structure. Sinha and Tripathi (1994) discovered that undemocratic decision-making is the order of the day in majority of the Indian organizations. In the same effect, Lachman, Nedd, and Hinings (1995[19]) said that

decision-making procedure in tall power distance system is seen as the non-participative type and tall hierarchical.

2.2 Organizational Performance

Performance is fairly broad concept, and its meaning changes in line with user's perspective and needs (Kabuoh, Ogbuanu & Chieze, 2016[15]). Traditionally, scholars has viewed company performance and measured in accounting terms. However, marketing performance dimension is the appraisal of "the association between marketing actions and business performance" (Clark & Ambler 2001). Promotional strategies (PS), Marketing planning effectiveness (MPE) and Customer relationship management (CRM), are few marketing approaches that an organizations uses to improve its productivity and boost among competitors particularly in the centre of strong competition. Market performance as associated with the above notion can be measured with customer relationship marketing (Kabuoh, Ogbunu, Alagbe, & Eqwuonwu, 2016[15]). Though, it looks that several organizations are afraid of using the strategic marketing apparatus in encouraging their commodities/services which invariably influence on their performance principally the SMEs (Kabuoh, Ogbunu, Alagbe, & Eqwuonwu, 2014[13]). A company performance is regarded to be efficient if it achieves its sales or market share objectives which is anchored on competence, while an organizational performance is said to be effectual if it make use of its assets to achieve lofty performance (Adeleke, Ogundele & Oyenuga, 2008[1]). Stephen and Edith (2012[35]) posit that the efficacy of an organization in accomplishing its desire is named performance.

2.3 Innovativeness

Innovativeness is a key capability which gives competitive advantage to SMEs sector as well as in several other industries. Innovation in its simple form, is stated as commercialization process which is converting the idea to tangible and intangible products, newly improved production/production method or new social service. As much, innovation is the realization of a fresh or enhanced product (goods or service) or process, a new marketing method or organizational method in internal applications, workplace organization or external relation (Tirupati, 2008[36]). For innovation, product, development, marketing technique and organizational technique have to be fresh or considerably better for the firm. In this perspective, innovative actions cover recently developed or modified products, procedure or methods (OECD and Eurostat, 2006).

2.4 Market Share

Farris and colleagues (2010) have view market share as "the proportion of an industry (defined in view of either units or revenue) derived by a definite body" (Farris et al. 2010). Vargo and Lusch (2004) have insist on intellectuals and specialists to define market share as a degree of how healthy a firm has been capable to forecast

market changes and the desires of the targeted consumers. It is imperative to recognize that market share ought to be intimately checked for signs of change in the competitive scenery; this alternative often compels intended or strategic actions, since it is measured in comparative to the competitors' "share of customer's wallet". Though, despite the fact that, of various means of explaining market share and setting up this metric as a suitable measure of marketing performance, presently the literature disclose some conceptual consequence that cannot be disregarded and they cause likely risk to strengthen and operationalization of the market share idea. That is to say, it still rather uncertain which market is most appropriate for the aim of measuring firms productivity.

2.5 Power Distance and Performance

In organization, cultural differences of are noted primarily in their practices and have been recognized as a major effective and reliable factors when considering organizational performance. Power distance makes a significant contribution toward employee's performance. From the findings of Ramesh, Che Supian, Nurfadhilah, Venkadesan and Yoshudha (2013), correlation coefficient indicates that positive relation exist between power distance and employee's performance, power distance score 0.891 which indicates a big strength of relationship. This indicates that the highest power distance will bring better employee's performance surrounded by the industry settings. This finding is embraced by the earlier work conducted by Lee (2002[20]); Mead (2003); Sagie, & Aycan (2003[33]); Hofstede (1985). Based on the finding by Hofstede (1985), power distances will influence the worker mentality solving problem. When there is big power distance employees will try to get their problems solved by referring to higher administrative cadre as they perceive higher management are more powerful. According to Mead (2003), small power distance is the best management style because of its democratic characteristic. However, big power distance is likely to be a good management style as well because of its autocratic attribute. The reason says so is due to most company in manufacturing industry will follow procedure to achieve their quality control. So, big in power distance can offer a clearer knowledge in delegating work. Based on the research from Sagie, & Aycan (2003[33]), big power distance is accepted by employees because it is considered as something natural. Employees' perceived responsibility for command is received from apex management. Hence, if the employees obey all the directives from their superior, they will perform the works in respect to the standard and it will promote better performance. Lee (2002[20]), established that, higher in power distance have more distant relationship with superior, hence, employees will show to their superior by increase their productivity in return. Mana (2016) x-rayed the influence culture on country profitability by using Hofstede cultural dimension, sample was anchored on the

500 largest European companies rated by the times 2015. The result indicates that companies with higher profitability are from countries with small power distance. Based on the assumptions that power distance index can influence performance indicators, we formulate our hypotheses as follows:

Ho₁ Significant relationship does not exist between power distance index and innovativeness of SMEs in Bayelsa State

Ho₂ Significant relationship does not exist between power distance index and market share of SMEs in Bayelsa State.

3. Methodology

This study was based on a cross-sectional survey design. It is designed at examining Power Distance a dimension of Cultural Dynamics and Organizational Performance of SMEs in Bayelsa State of Nigeria. The design is suitable for study of this nature given that the study entails a very large population. The population of this study consists of the officially registered SMEs in Bayelsa State Micro Finance and Enterprise Development Agency. The agency mandated to midwife the SMEs in the state established by law in April 30th 2014. According to the agency, the total number of registered SMEs is 1,456 in Bayelsa State. The sample size of 313 respondent was selected using multi-stage sampling techniques.

The sample size of this study was determined statistically using Taro Yamane Technique.

The formula is given as:

$$N = \frac{N}{1 + N(e)^2}$$

Where,

n = the sample size for the state

N = the finite population

e = level of significance (or limit of tolerable error)

1 = unit (a constant)

$$\begin{aligned} n &= \frac{1,456}{1 + 1,456(0.05)^2} \\ &= \frac{1,456}{1 + 1,456(0.0025)} \\ &= \frac{1,456}{1 + 3} - \frac{1,456}{4.64} = 313 \end{aligned}$$

Therefore, the sample size is 313 SMEs

4. Data Analysis

The data was analysed using the statistical package for the social sciences (SPSS). Descriptive statistics namely percentages and frequency tables were used to describe and interpret the data collected from the field. Inferential statistics specifically Spearman Rank order correlation (Rho) was used to test the strength of relationship between the variables.

$$Rho = 1 - \frac{6 \sum d^2}{n(n^2 - 1)}$$

Where,

Rho = spearman's Rank value

n = number of respondent

d = differences between Ranks

d² = Square of differences.

Descriptive Presentation and Analysis of Data

Data collected for the study is descriptively presented and analyzed in this section.

Table 4.1: Demographic Distribution of Respondents

Demographic variables	Options	Frequency	Percentage
Sex	Male	131	60.4
	Female	86	39.6
Age	18-30 years	82	37.8
	31-50 years	101	46.5
	51-70 years	34	15.7
Level of Education	SSCE	26	12.0
	NCE/OND	51	23.5
	B.Sc. and above	140	64.5
Experience in Years	1-3 years	13	6.0
	4-6 years	16	7.3
	7-9 years	121	55.8
	10 years and above	67	30.9
	Business Type	Barbing/Hairdressing	50
Fashion Design	62	28.6	
Soap making	48	22.1	
Others	57	26.3	

Source: Field Survey, 2019.

Table 4.1 above presents the demographic data of the respondents. Each of the demographic variables are analyzed separately as shown in the table.

Sex

Information contained in the table indicate that 60.4% of the respondents are males while the rest 39.6% are females. This implies that there are more male respondents than female respondents.

Age

As shown in the table, 37.8% of the respondents are between 18 – 30 years, 46.5 percent are between 31 – 50 years and 15.7% of the respondents are between 51 – 70

years. These descriptive outcomes show over 80% of the respondents are below the age of 50.

Level of Education

As indicated in the table, exactly 12% of the respondents are secondary school levers who are in business. 23.5% of the respondents has either the National Certificate of Education (NCE) or the Ordinary National Diploma (OND). While 64.5% of the respondents has the first degree or other higher degrees.

Experience in Years

Form the table above, it is observed that 6% of the respondents had been in business for about 1 – 3 years. 7.3% had been in business for about 4 – 6 years, 55.8% of the respondents had been in business for about 7 – 10 years and the rest 30.9% had been in business for over ten years.

Business Type

As shown in the table, 23% of the respondents are into barbing or hairdressing, 28.6% are into fashion and designs, 22.1% are in the soap making business and the remaining 26.3% are in other business types that are not specified.

Table 4.2: Descriptive Outcome of Power Distance Index in Studied SMEs (n = 217)

Statements	SA	A	MA	D	SD	Mean
Employees are allowed to create their own ideas in this org	124 (57)	84 (38)	8 (4)	1 (1)	-	4.53
Subordinates are not allowed to take the boss' decisions for granted	18 (9)	181 (83)	5 (2)	11 (5)	2 (1)	3.93
Everyone in the organization have clearly defined roles	62 (29)	109 (50)	32 (15)	14 (6)	-	4.01
Everyone accepts the boss' decisions	137 (64)	60 (27)	18 (8)	-	2 (1)	4.52
Grand Mean						4.23

Source: Field Survey, 2019.

As shown in table 4.2 above, 57% of the respondents strongly agree that Employees are allowed to create their own ideas in this organizations, 38% agreed with the statement, 4% moderately agree, 1% disagree and none strongly disagrees with the statement. The mean score for this item is 4.53. Responding to the second statement in the group, 9% strongly agree that subordinates are not allowed to take the boss' decisions for granted, 83% agree, 2% moderately agree, 5% disagree and 1% strongly disagree with a mean score of 3.93. Responses gathered for statement three indicate that 29% of the respondents

strongly agree that everyone in the organization have clearly defined roles, 50% agree, 15% moderately agree, 6% disagree and none strongly disagree. The mean score for the statement is 4.01. As for the fourth statement, 64% strongly agree that everyone accepts the boss' decisions, 27% agree, 8% moderately agree, none disagree and 1% strongly disagree. The grand mean of 4.23 indicates a high power distance index in the studied SMEs.

Table 4.3: Descriptive Outcome of Performance in Studied SMEs (n = 217)

Statements	SA	A	MA	D	SD	Mean
The organization always strive for business excellence and overall customer satisfaction	65 (30)	105 (49)	20 (9)	22 (10)	5 (2)	3.94
Staff of this organization are adequately compensated	98 (45)	67 (31)	22 (10)	26 (12)	4 (2)	4.06
This organization have enough cash flow to fulfill its objectives	107 (49)	64 (30)	1 (1)	38 (18)	7 (3)	4.04
Measuring customer satisfaction periodically helps to drive improvements	92 (42)	82 (38)	19 (9)	16 (7)	8 (4)	4.08
Grand Mean						4.02

Source: Field Survey, 2019.

Table 4.3 above presents information on the performance of the studied SMEs. As shown in the table, 30% of the respondents strongly agree that the organization always strive for business excellence and overall customer satisfaction, 49% agree, 9% moderately agree, 10% disagree and 2% strongly disagree with a mean of 3.94. Responding to the second statement in the group, 45% strongly agree that staff of their organizations are adequately compensated, 31% agree, 10% moderately agree, 12% disagree and 2% strongly disagree with a mean score of 4.06. Responses gathered for statement three indicate that 49% of the respondents strongly agree that their organizations have enough cash flows to fulfill their objectives, 30% agree, 1% moderately agree, 18% disagree and 3% strongly disagree. The mean score for the statement is 4.04. As for the fourth statement, 42% strongly agree that measuring customer satisfaction periodically helps to drive improvements, 38% agree, 9% moderately agree, 7% disagree and 4% strongly disagree.

The mean is 4.08. The grand mean value of the table is 4.02 showing a high level of performance in the studied SMEs.

Table 4.4: Descriptive Outcome of Innovativeness in Studied SMEs (n = 217)

Statements	SA	A	MA	D	SD	Mean
Our company is vast in adopting processes with latest technological innovations	88 (41)	57 (26)	5 (2)	64 (30)	3 (1)	3.75
Our company uses up-to-date technologies in her processes	111 (51)	67 (31)	19 (9)	17 (8)	3 (1)	4.23
Our company have new products introduced to the market	8 (4)	173 (80)	6 (3)	-	30 (13)	3.59
We produce and offer products with novel features	98 (45)	76 (35)	29 (13)	-	14 (7)	4.12
Grand Mean						3.92

Source: Field Survey, 2019.

Table 4.4 above presents information on the performance of the studied SEMs. As shown in the table, 41% of the respondents strongly agree that our company is vast in adopting processes with latest technological innovations, 26% agree, 2% moderately agree, 30% disagree and 1% strongly disagree with a mean of 3.75. Responding to the second statement in the group, 51% strongly agree that our company uses up-to-date technologies in her processes, 31% agree, 9% moderately agree, 8% disagree and 1% strongly disagree with a mean score of 4.23. Responses gathered for statement three indicate that 4% of the respondents strongly agree that our company have new products introduced to the market, 80% agree, 3% moderately agree, none disagree and 13% strongly disagree. The mean score for the statement is 3.59. As for the fourth statement, 45% strongly agree that they produce and offer products with novel features, 35% agree, 13% moderately agree, none disagree and 7% strongly disagree. The mean is 4.12. The grand mean value of the table is 3.93 showing a high level of innovativeness in the studied SMEs.

Table 4.5: Descriptive Outcome of Market Share in Studied SMEs (n = 217)

Statements	SA	A	MA	D	SD	Mean
Our business objectives are driven by our commitment to serving customer needs	39 (18)	136 (63)	42 (19)	-	-	3.99
Our competitors regard us as market leaders	108 (50)	70 (32)	23 (11)	11 (5)	5 (2)	4.22
Our overall business performance has been excellent in the past two years	104 (48)	82 (38)	5 (2)	26 (12)	-	4.22
We have experienced decreases in sales due to competitors product quality	112 (52)	57 (26)	21 (10)	20 (9)	7 (3)	4.14
There has been a decrease in the sales due to competitor market share	82 (38)	76 (35)	28 (12)	19 (9)	12 (6)	3.91
Grand Mean						4.10

Source: Field Survey, 2019.

Table 4.5 above presents information on the performance of the studied SEMs. As shown in the table, 18% of the respondents strongly agree that our business objectives are driven by our commitment to serving customer needs, 63% agree, 16% moderately agree, none disagree and none strongly disagree with a mean of 3.99. Responding to the second statement in the group, 50% strongly agree that our competitors regard us as market leaders, 32% agree, 11% moderately agree, 5% disagree and 2% strongly disagree with a mean score of 4.22. Responses gathered for statement three indicate that 48% of the respondents strongly agree that their overall business performance has been excellent in the past two years, 38% agree, 2% moderately agree, 12% disagree and none strongly disagree. The mean score for the statement is 4.22. As for the fourth statement, 52% strongly agree that they have experienced decreases in sales due to competitors product quality, 26% agree, 10% moderately agree, 9% disagree and 3% strongly disagree. The mean is 4.14. Finally, 38% strongly agree with the last statement, 35% agree, 12% moderately agree, 9% disagree and 6% strongly disagree with a mean of 3.91. The grand mean

value of the table is 4.10 showing a high market share in the studied SMEs.

Inferential Analysis of Data

An inferential analysis of the collected data is done under this heading using the Spearman's Rho statistical tool in SPSS Version 23. This is done to test the hypotheses stated in the chapter one of this work so as to show the relationship between the examined variables. The decision rule is to accept the null hypothesis if the p-value is greater than .05 and reject if less than .05.

Ho₁. There is no significant relationship between power distance index and innovativeness of SMEs in Bayelsa State.

Table 4.6: Correlation results on the Relationship between Power Distance Index and Innovativeness

	Power Dist. Index	Innovativeness
Spearman's rho	1.000	.343**
Power Dist. Index		
Correlation Coefficient		
Sig. (2-tailed)	.000	
N	217	217
Innovativeness	.343**	1.000
Correlation Coefficient		
Sig. (2-tailed)	.000	
N	217	217

Source: SPSS Output from Survey Data, 2019. **. Correlation is significant at the 0.01 level (2-tailed).

Table 4.6 above shows the relationship between power distance index and innovativeness in SMEs in Bayelsa State. The results of the test show a positive rho of .343 @ $p = .000 < .01 < .05$ indicating that there is a significant relationship between power distance index and innovativeness in SMEs in Bayelsa State. The null hypothesis is therefore rejected.

Ho₂. There is significant relationship between power distance index and market share of small and medium scale enterprises in Bayelsa State.

Table 4.7: Correlation results on the Relationship between Power Distance Index and Market Share

	Power Dist. Index	Market Share
Spearman's rho	1.000	.569**
Power Dist. Index		
Correlation Coefficient		
Sig. (2-tailed)	.000	
N	217	217
Market Share	.569**	1.000
Correlation Coefficient		

	Sig. (2-tailed)	.000	.
	N	217	217

Source: SPSS Output from Survey Data, 2019. **. Correlation is significant at the 0.01 level (2-tailed).

Table 4.7 above shows the relationship between power distance index and market share in SMEs in Bayelsa State. The results of the test show a strong positive rho of .569 @ $p = .000 < .01 < .05$ indicating that there is a significant relationship between power distance index and market share in SMEs in Bayelsa State. The null hypothesis is therefore rejected.

Ho₃. There is no positive relationship between individualism and innovativeness of small and medium scale enterprises in Bayelsa State

4.1 Discussion of Findings

The first two hypotheses tested the relationship between power distance index (PDI) and performance measured by innovativeness and market share. The results show that relationship between the variables is significant. As a result the null hypotheses i.e. the Ho categories were rejected and the alternate hypotheses were accepted. The decision established that PDI is significantly related with firm innovativeness and market share. This result agreed with Ramesh *et al.* (2013) that a high PDI encourages better employee performance which in turn affects organizational performance. The studies of Lee (2002[20]), Mead (2003) and Sagie and Aycan (2003[33]) also support this finding. They showed that when the PDI is high, employees accept it as a natural phenomenon and thus agrees that the responsibility for decision making is a top management function and accepts whatever decisions that are made. This encourages innovativeness which breeds novelty in products and services that are offered by the company. The result is an increased market share.

5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

The findings of the study are summarized below. There is a significant relationship between power distance and the innovativeness of SMEs in Bayelsa State. There is a significant relationship between power distance and the market share of SMEs in Bayelsa State.

5.2 Conclusion

Based on the findings obtained from the statistical testing of the hypotheses, there is empirical evidence that power distance had positive significant relationship with innovativeness in SMEs. Centralized structure in SMEs influences innovativeness. Respondents agrees that subordinate depends on superior for instructions and this culture breeds innovativeness in SMEs Bayelsa state. The study also concludes that, high power distance relates to innovativeness of SMEs in Bayelsa state. In high power

distance culture were decisions are made without consultation of the subordinate makes decisions to be faster which in turns boost the market share of SMEs.

5.3 Recommendation

Based on the findings of the study, the following recommendations are made. SMEs owners should ensure that, organizational structures are properly put in place and specific instructions are handed over to subordinators to execute task. This will help adopt process with latest technological innovation in the organization. It is also recommended that decision making in the organization should be left in the hands of the management, so that decision will be made faster for the smooth running of the organization. This will help increase sales.

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