Assessing the Employee Perception about the Impacts of Institutional Reform on Organizational Culture: The Case of Federal Transport Authority

Submitted for Partial Fulfillment of the Requirements for the Degree of Master of Public Management and Policy (MPMP)

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June 2014

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Assessing the Employee Perception about the Impacts of Institutional Reform on Organizational Culture: The Case of Federal Transport Authority

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June 2014
Addis Ababa
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This study tries to assess the impacts of institutional reform on organizational culture based on a small-scale survey conducted in Federal Transport Authority by examining the attention given for changing the attitudes and awareness level of employees. Using a case study method, from total population of the study a sample of 75 employees of the organization was taken. The instruments used to gather the data are questionnaires, interviews, and documents. The data was analyzed by using descriptive statistics and some finding are summarized for conclusions and recommendations that might enable the institutional reform implemented in the organization to change the culture of the organization for the successful achievements of the organizations goals. The findings of the study depicts that sufficient attention is not given during reform implementation for changing the human element and culture of the organization.

Based on the findings the following recommendations are made on impacts of institutional reform on organizational culture. Top executive’s attention and initiatives for institutional reform and changing the culture must be improved for better performance and achievement of goals of reforms as it was intended. Government has to change the working environment in government institutions and improve the benefit package of the organization by creating uniformity throughout the whole federal government organizations. To sum up, all findings clearly depicts that strong organizational culture was not created even after the implementation of reform in the organization.

Keywords: Impacts, Organization Culture, Institutional reform, Participation, and Organizational goal.
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAU</td>
<td>Addis Ababa University</td>
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<tr>
<td>ACE</td>
<td>Achieving Competitive Excellence</td>
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<td>BPR</td>
<td>Business Process Reengineering</td>
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<td>BSC</td>
<td>Balanced Score Card</td>
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<td>CSR</td>
<td>Civil Service Reform</td>
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<td>CSRP</td>
<td>Civil Service Reform Programme</td>
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<tr>
<td>FDRE</td>
<td>Federal Democratic Republic of Ethiopia</td>
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<td>FTA</td>
<td>Federal Transport Authority</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HPR</td>
<td>House of People Representative</td>
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<td>IMC</td>
<td>Inter-Ministerial Committee</td>
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<td>MCB</td>
<td>Ministry of Capacity Building</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<tr>
<td>MOE</td>
<td>Ministries of education</td>
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<td>MOFED</td>
<td>Ministry of Finance and Economic Development</td>
</tr>
<tr>
<td>MOLSA</td>
<td>Ministry of Labor and Social Affair</td>
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<tr>
<td>NGOs</td>
<td>Non Governmental Organizations</td>
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<td>NIE</td>
<td>New Institutional Economics</td>
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<td>NPM</td>
<td>New Public Management</td>
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<td>NR</td>
<td>Number of Respondents</td>
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<tr>
<td>PMO</td>
<td>Prime Minister’s Office</td>
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<tr>
<td>PSCAP</td>
<td>Public Sector Capacity Building Program</td>
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<td>PSIP</td>
<td>Performance and Service Delivery Improvement Policy</td>
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<td>SAPs</td>
<td>Structural Adjustment Programs</td>
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<tr>
<td>SPSS</td>
<td>Statistics Package for Social Scientists</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational culture is a major key determinant of an employee’s efficiency and effectiveness in carrying out his/her jobs as well as it gives him/her an idea about how an employee performs or behaves in his/her job. It has been widely acknowledged that organizational culture is significant in organizational behavior and performance (Schein, 2004). Moreover he claims that any leader or manager who needs to improve the organizational effectiveness of his or her institution should be able to diagnose the organizational culture. Accordingly, to maximize their operational efficiency, organizations often develop and govern routine work through accepted rules and systems.

The Federal Democratic Republic of Ethiopia (FDRE) since 1996 tried to carry out many institutional reforms to bring economic and social transformation in the country particularly in public organization. For instance, the civil service reform program with full package intended to change the old bureaucratic system of the civil service with new public management reforms. And hence the government started the implementation of BPR in the most of Ethiopian civil service systems (Ministry of Capacity Building, 2004). The Federal Democratic Republic of Ethiopia (FDRE) has launched Civil Service Reform Programme (CSRP) since 1996 by focusing on building a fair, transparent, efficient, effective, and ethical civil service primarily by creating enabling legislation, developing operating systems, and training staff in five key areas:

- Expenditure Control and Management
- Human Resource Management
- Service Delivery
- Top Management Systems and Ethics.

Successful efforts have been implemented (for example, budgeting, planning, and accounting reforms) at the federal level were intended to provide prototypes for regional authorities, (Ministry of Capacity Building, 2004). The CSRP was also influenced by the international New Public Management (NPM) trend and by the reforms in New Zealand in
particular (Peterson 2001). Therefore, in the light of the CSRP and other reform programs included in the package of Structural Adjustment Programs (SAPs), the Ministry of Capacity Building reformulated the following objectives for the CSRP in June 2003: To shake off basic weaknesses ingrained in the existing Civil Service inherited from the past regime; To build the capacity of the Civil Service so that it will execute the policies and programs of the government successfully; To facilitate the Civil Service to provide efficient and fair services to the public; To enhance transparency and accountability in the Civil Service; To build a Civil Service that stands for gender and ethnic equality and rights; and To build a Civil Service that is ethically sound and free of corruption, nepotism, and favoritism. (MCB, 2004)

One of the key areas of Ethiopian Civil Service Reform Program (CSRP) was on the Human Resource Management aspect which is very crucial and controls all other programmes. CSR has traditionally focused on downsizing and changing the procedures and structures of the services without compromising the human elements: incentives, professionalization, mobility, leadership, and teamwork. As Evans and Berman (1990) reflected, customers wish to obtain quality products and services with minimum price and time to be satisfied. Meanwhile, many governmental organizations stick to the traditional way of producing products and rendering services. This approach breeds inefficiency and disappoints organizations, stakeholders and clients. Since organizational culture varies from one organization to others, each institutional reform in organization has to bring change in employees” attitude for better accomplishment of tasks.

The term „institution” is broad concept that includes any structure or mechanism of social order and cooperation governing the behavior of a set of individuals within a given community. Institutions are identified with a social purpose transcending individuals and intentions by mediating the rules that govern cooperative living behavior, for instance, it includes marriage, religion, educational and research institutions, industries, civil societies, NGOs, public institutions …etc. Reform of institutions is vital for building good governance, democracy, economic development and improving the living standard of citizens transforming the civil service system. Business Process Reengineering (BPR) is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed (Hammer and Champy, 1993:32).
In this study institutional reform implies only the formal government organization or public institution that provides service to customer, more specifically; it indicates the reforms carried out in federal transport authority the corresponding change or impact of the reform on the organizational culture on this public institution. Institutional reform is the process of reviewing and restructuring state institutions so that they respect human rights, preserve the rule of law, and are accountable to their constituents. Having this background, this study tries to assess the employee perception regarding the impact of institutional reform on organizational culture in Ethiopia with special reference to transport authority. To achieve this aim, the paper begins by providing a brief review of public administration in Ethiopia.

1.2 Statement of the Problem

Even though, the organizational culture has great impact on the performance of an organization most institutional reforms do not give sufficient attention to it. According to Hofstede (1980), culture is the collective thinking of minds which create a difference between the members of one group from another. Culture may defined as system of common values which can be estimated that people describe the similar organization culture even with different background at different levels within the organization (Robbins & Sanghi, 2007). According to the Kotter and Heskett (1992), culture means fairly established set of beliefs, behaviors and values of society. Schein (1990) defines culture as a set of different values and behaviors that guide to success. This shows that the importance of considering organizational culture helps performance of an organization by shaping employees” different values and behaviors for effective and efficient implementation of the intended goal of the organization.

Public sector organizations with a culture that is outcomes-oriented and mission-driven appear to have higher levels of performance that an organization lacks these features (Grindle & Hilderbrand, 1995).This underscores the importance of successful CSR of public-sector leadership styles and internal performance management practices that focus on results and service to the public. The reform is to raise the quality of public services delivered to the citizens and enhance the capacity to carry out core government functions, thereby, leading to sustainable development (World Bank, 2002). For that reason, an institutional reform has to give great attention to improve organizational culture for better performance in the organization. So, any reform without appropriate behavioral and
attitudinal change on human elements, does not bring change on the organizational culture and do not result in the expected outcome in achieving the goals of the organization.

Normally, the functions of organizational culture manifest itself in two aims: first, creating the feeling of identity among personnel and commitment to the organization; second, creating a competitive edge to enable the members (especially new members) in the organization to well understand acceptable behavioral and social system stability (Martins, 2000). It is the fact that organizational culture can offer a shared system of meanings which forms the basis of communication and mutual understanding. If the organizational culture does not fulfill these functions in a satisfactory way, the culture may significantly reduce the efficiency of an organization (Furnham & Gunter, 1993). The Ministry of Capacity Building (MCB) in 2002 launched the Public Sector Capacity Building Support Program as part of the Civil Service Reform by having the following objectives to:

- Improve the scale, efficiency and responsiveness of public service delivery at the Federal, regional and local levels
- Empower citizens to participate more effectively in shaping their own development
- Promote good governance and accountability (MCB, 2002).

These objectives can be achieved by giving adequate attention for changing the organizational culture. In today's dynamic global business environment, organizations both in public and private sectors are finding themselves under extreme pressure to be more flexible and adaptive to such changes. Change always has been the case, but although in the past it was predictable, incremental and evolutionary. Today it is unpredictable, rapid and revolutionary. Hence, modern organizations in order to successfully face these changes should undertake reforms aiming to address the changing expectations of citizens. Currently, in Ethiopia there are many ways of doing business under Civil Service Reform Programmes and are introduced different management tools like kaizen (continues improvement), achieving competitive excellence (ACE), Business Process Reengineering (BPR)…etc. to respond to changing and complex environment by enhancing the institutional capacity of the Public Organizations and for implementing government policy efficiently and effectively and far beyond to deliver quality service to its citizens.
Even though, there are many other types of management tools, Business Process Reengineering (BPR) encompasses most of the Ethiopian Government institutions including transport authority and it is being used currently. There are several problems that might challenge most institutional reforms in Ethiopia. Accordingly, Ethiopian transport authority also faces most these problems and also have problem in giving attention to one of the key areas of Ethiopian civil service reform that was human resource management. Neglecting this very fundamental aspect of reform may result in failure of institutional reforms. Similarly, the new institutional reform tries to operate within old organizational culture. Recognizing the organization at culture and understanding of human behavior pose a strong challenge to researchers and practitioners. It is clear that the change on organizational culture is takes time to bring the expected outcome. Moreover there are problems in the organization like attitudinal change towards serving the customers still did not developed well, lack of accountability and motivation, lack of good organizational culture.

Anyway, the human element has to be given enough attention for the success of the institutional reforms. Bearing this in mind it is understandable that the impact assessment of institutional reform in changing organizational culture have a great role. To achieve organizational goal in targeted sector giving attention for creation of common understanding and beliefs is indispensable. One of the main problems that lead to failure of institutional reform is implementing new reform with in old organizational culture and omitting the core resource that is, the human element for achieving organizational goal. Accordingly, insufficient attention for changing the attitudes of employees and lack of creating shared team spirit between employees are one of the main reasons for the gap between aspiration and the existing reality on human elements after reform (Ministry of Capacity Building, 2004). This study tries to give solutions to the main problems for the failures of reforms by providing a clue in order to give sufficient attention for changing the organizational culture for organizational success.
1.3 Research Questions

The general research question of this study is:

- How do employees perceive the impacts that come after the implementation of institutional reform in Federal Transport Authority have on changing the organizational culture? Was an adequate attention given during reform for changing the organizational culture?

Some of the specific research questions that the study will answer include:

- Is the institutional reform implementation has given as much as necessary attention for changing the organizational culture?
- What major changes are noticed on creating conducive working environment and good relationship between employees after reform?
- What impacts does reform have on changing the culture of the organization? How do the employees behave the changes created after reform?

1.4 Objectives of the Study

The general objective of the study is to assess the impacts or effects that come after the implementation of institutional reform on organizational culture in federal transport authority.

The Specific Objectives of the study were:

- To assess the awareness level and attitude of the employees and the management of transport authority towards institutional reform,
- To identify the human element change or changes that come on working environment and team spirit after the reform were introduced in the organization.
- To examine the main problems and challenges that hinders cultural changes in the organization during reform in reforming the old organizational culture approach to the new,
- To explore whether the institutional reform in the organization has achieved its objectives of changing organizational culture in transport authority; and
To assess how the institutional reform in transport authority are implemented with a view to giving a focused attention on changing the organizational culture.

1.5 Scope and Limitations of the Study

1.5.1 Scope of the Study

Due to the time and resources constraint the scope of the study was limited to the Federal Transport Authority. The study mainly tries to assess the employee perception on the impacts that come in the organization after the implementation of institutional reform on organizational culture. The survey covers only the employees, and higher officials within the organization. Although, the term institution is a broad concept, in this study the present researcher tried to focus on public institution with special attention on reforms carried on federal transport authority.

1.5.2 Limitations of the Study

Even though various institutional reforms have been carried in Ethiopia since 1996 their impacts on organizational culture have not been assessed in detail. The concept of organizational culture and institutional reform was not clear for some of my respondents. The researcher face problems such as, shortage of finance, shortage of sufficient sources documents, shortage of time, and a lack of cooperation from few respondents. Moreover, since respondents” mainly senior officials, was so busy and engaged in meetings of different programs, the data collection was taken long time and was very difficult. Anyway, beyond these and other constraints that rose during the research of this study the researcher tried to find sound results pertaining to the objectives of the study.

1.6 Significance of the Study

Some of the significances of this study were:

- It reveals the awareness level and attitudes of the officials, employees and customers of transport authority towards institutional reform as well as organizational culture to fill the gap.
- It tries to show the benefit of giving a focused attention for changing the culture of the organization in implementing institutional reform for improving the performance of the organization.
It makes some recommendations for effective implementation of institutional reform by focusing on change of organizational culture for effective performance.

The study tries to find out the relationship between the implementation of the civil services reform program in human resource management and the problems associated to it.

In general, the study can be used as further reference for other researchers to conduct further studies in the area and it will benefit the government for future reforms to focus on change of organizational culture.

1.7 Organization of the Study

This study deals with the impacts of institutional reform on organizational culture in Ethiopian public institutions with special reference to the Federal Transport Authority (FTA). It start with introductory outlines under which an overview of the topic under study is presented as background of the study and then description is made on the statement of the problem, the research questions, the general and specific objectives of the study, the significance of the study, the scope and the limitation of the study, and organization of the study. The second chapter is dedicated to the review of related literature. Under this topic a detailed coverage on the concepts of the proposed study is given. Many and different meanings/definitions attached to institutional reform and organizational culture are explained.

Methodology of the study is presented in the chapter three; and Analysis of the research findings is presented in Chapter four. Here an attempt is made to deal with data presentation, descriptions, discussions and analysis of data for the implementation at the study. Finally, the Fifth chapter deals with findings, conclusions and recommendations drawn by the researcher based on the analysis in chapter three. The thesis at the end contains a list of References, and attachments on the survey questionnaire and an interview questionnaire, and a few appendixes.
CHAPTER TWO

LITERATURE REVIEW ON THE RELATIONSHIP BETWEEN
REFORM AND CULTURE

2.1 Introduction

Even though, the term institutional reform and organizational culture have different uses and meanings under different conditions and a research that relates organizational culture and institutional reform is not easy to find, this section attempts to highlight relevant issues related to the study topic. This study tries to look at the impacts of institutional reform on organizational culture with special attention to the Federal Transport Authority. Past research works, suggestions of different scholars, fundamental principles, theories, etc are of enormous importance in any study. Therefore, due to the varied uses of the term, this study starts by outlining the conceptual definitions and its specific meaning relevant to the study.

2.2 Understand Organizational Culture

There is no universally agreed definition of culture and organizational culture. Due to this the present researcher tries to show few scholars insight regarding it. Culture is an arrangement of different attributes that express an organization and differentiate the organization from other one (Forehand and von Gilmer, 1964). According to Hofstede (1980), culture is the collective thinking of minds which create a difference between the members of one group from another. As Schein (1990), defines culture is a set of different values and behaviors that may considered guiding to success. According to the Kotter and Heskett (1992), culture means fairly established set of beliefs, behaviors and values of society contain generally. In simple words we can understand that culture is gained knowledge, explanations, values, beliefs, communication and behaviors of large group of people, at the same time and same place. Culture must be learned and shared in the organizations (Titiev, 1959). Pettigrew (1979), argue that cultures of organization based on cognitive systems which help to explain how employees think and make decision. He also noted the different level of culture based on the multifaceted set of beliefs, values and assumptions that determine ways to organizations to conduct its business.
According to Tichy (1982), organizational culture is known as “normative glue” which means to hold the overall organization together. In Ethiopian context, Organizational culture refers to the beliefs and values that have existed in an organization for a long time, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behavior. This also differs according to each public institution. As to me Ethiopian Air Line has strong organizational culture than any other public institutions.

Culture may defined as system of common values which can be estimated that people describe the similar organization culture even with different background at different levels within the organization (Robbins & Sanghi, 2007). Historically, the most commonly known definition is “the way we do things around here” (Schein, 1990). Organizational culture is manifested in the typical characteristics of the organization, in other words, organizational culture should be regarded as the right way in which things are done or problems should be understood in the organization. It is widely accepted that organizational culture is defined as the deeply rooted values and beliefs that are shared by personnel in an organization. The concept of organizational culture also makes available a base for determination the differentiation that may survive in-between the organizations that are doing business in the same national culture (Schein, 1990).

Andrew Brown (1995, 1998) stated “Organizational culture refers to the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization’s history, and which tend to be manifested in its material arrangements and in the behaviors” of its members.” In contrast, other authors such as Schein (1985) have suggested that culture is best thought of as a set of psychological predispositions (which he calls „basic assumptions”) those members of an organization possess, and which leads them to think and act in certain ways. So, Schein (1985) offers another approach to understanding the concept of organizational culture by saying “A pattern of shared basic assumptions that a group learns as it solves its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”

According to Edgar H. shein (1992), Organizational culture, is a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. The definition applies to organizations of virtually every kind – families, social
clubs, work groups, companies, governments, and nations. Over time, each such group develops a set of tacit and explicit understandings, beliefs and practices. It might not be easy to explain exactly what the cultural characteristics of a particular group are, but all of its members understand and conform instinctively to its expectations. According to Alvesson (1989), conceptualization of the organization culture depends on the scale of two extremes: Process oriented approach and Classification approach.

According to Roskin (1986), Process oriented approach shows organizational culture as permanent response for collective meaning. Schein’s (1990), model of organizational culture represents this approach and describe organizational culture as a outline of fundamental hypothesis invented or developed by a specific group to learn about the specific problem and worked well sufficient to considered suitable. He defines the three levels of the culture; behaviors (make the social and physical environment), values (underlying the meaning by which outlines of artifacts are interpreted), and basic assumptions (unconscious level of behaviors which are most difficult to learn or change). According to Classification approach organizational culture converses to a range of ideas that can be imitated by two or more variables. From this approach number of quantitative methods are utilized to measure the culture of organization (Schein, 1985), on the basic of typology of culture.

2.3 The Themes of Organizational Culture

From literature perspective, organizational culture has been identified four main themes by British authors Mauill, Brown and Cliffe in 2001, which are addressed as follows:

Firstly, Culture is a learned entity; at a basic level, culture may be defined as “the way we do things around here” or “the way we think about things around here” (Williams et al, 1994). In general, by studying the definitions of culture, managers should predict or grasp the general trend of employees’ behaviors and thinking, because the definitions of culture deal primarily with the way they act or the way they think. A widely accepted definition of culture provided by Schein (1984) is: “The pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” The key feature of this theme is that culture is used as the correct way for new employees to behave, thereby, culture can perpetuate organizational survival and growth.
Secondly, Culture is viewed as a belief system; for example, Davis (1984) defines culture as: “The pattern of shared beliefs and values that give members of an institution meaning, and provide them with the rules for behavior in their organization.” In order to understand the far-researching sense of this culture theme, the three English authors divide organizational culture into fundamental guiding beliefs and daily beliefs. And they advocate that guiding beliefs provide the context for the practical beliefs of everyday life, that is to say, guiding beliefs give direction to daily beliefs. As fundamental precepts, guiding beliefs rarely change since they are in the realm of universal truth. On the other hand, daily beliefs are also part of the company culture and can be described as the rules and feelings about everyday behavior. However these are dynamic and situational; they have to change to match context.

Thirdly, Culture is seen as strategy; having finished a wide ranging analysis, Bate (1995) disagrees with the distinction between strategy and culture, and supports that “…culture is a strategic phenomenon: strategy is a culture phenomenon.” That is to say, there are twofold implications of such beliefs: first, any kind of strategy formulation is a cultural activity, for example, the development of strategy is just a cultural development; second, all cultural changes should be viewed as strategic changes.

Finally, Culture considered as mental programming; one of the key supporters of this perspective is Hofstede (1980), according to Hofstede, culture is the “collective programming of the mind, which distinguishes the members of one category of people from another.” Hofstede also divided culture into four layers (or four main elements): symbols, heroes, rituals and values. Far researching at the four layers is critical for organizational managers, because it can affect business or operation at different degree and in different ways.

### 2.4 The Importance of Organizational Culture

Hofstede, (1997) said that culture influence how people behavior and think, so, it is important to understand culture within an organization; whereas Jim Grieves, (2000) strongly supported that organizational development can promote humanistic values, so, earlier in 1982, Deal and Kennedy advocated that organization development should be combined with organizational culture effectively, in order to make people work efficiently. When we talk about the role of organizational culture in an organization, it is normally better to start from two perspectives which were provided by E. C. Martins and F. Terblanche (2003); the functions of organizational culture and the influence that organizational culture has on the different processes in the organization.
Normally, the functions of organizational culture manifest itself in two aims:

- First, creating the feeling of identity among personnel and commitment to the organization;
- Second, creating a competitive edge to enable the members (especially new members) in the organization to well understand acceptable behavior and social system stability (Martins, 2000).

It is the fact that organizational culture can offer a shared system of meanings, which forms the basis of communication and mutual understanding. If the organizational culture does not fulfill these functions in a satisfactory way, the culture may significantly reduce the efficiency of an organization (Furnham and Gunter, 1993).

On the other hand, organizations use different resources and processes to guide behavior and change. Organizational culture is playing an indirect role in influencing behavior by using reasonable managerial tools, such as strategic direction, goals, tasks, technology, structure, communication, decision making, cooperation and interpersonal relationships, and so forth, which are all designed to do things (Martins and Terblanche, 2003). In order to become an efficient organization, the importance of culture should not be neglected (Schneider & Barsoux, 1997), because culture has an impact on how the organization is run. In the year of 1997, Gareth Morgan argued that an organization is basically a human nature operation, so he stressed the need to build organizations around people rather than techniques.

In terms of an organization’s development, organizational culture can be used as different tools to help the organization reach success. First, organizational culture is a powerful tool for improving business performance (Brown, 1995), it can also be a competitive advantage against the organization’s competitors. Secondly, organizational culture can be a tool of management control. Managers could use selected rites, stories, symbols and common values to control and direct employee behavior. From the future perspective, this form of control could be cheaper and could build commitment to the organization and its goals.

Hence, Buchanan and Huczynski (1997) argued that management today is moving from bureaucratic control to humanistic control. In the current society, organizations are seeking to satisfy their members’ needs by providing satisfying work tasks or a pleasant team working life through internal control, and all those aims could be achieved with the help of their organizational culture, and only with a complete and pleasant understanding of organizational culture, individuals would more willing to commit themselves to their organizations.
Similarly, Hellriegel et al (2001) also add that organizational culture has the potential to enhance organizational performance, individual satisfaction, problems solving, and so on. However, not all scholars agree with the above opinions about culture’s roles. Some researchers argue that organizational culture is partly the outcome of society factors. Johnson and Scholes (1999) have pointed out, that significant value of society change is becoming more and more complex and is out-of-date, and therefore, those right things or decisions, such as strategies, which were acceptable and successful in the past, may not be used today.

Every organization has its own culture. Since many employees spend more hours at their workplace, their organization’s culture obviously affects both their work lives as well as their personal lives. Organizational culture refers to the beliefs, ideologies, principles and values that the individuals of an organization share. This culture is a determining factor in the success of the organization. A shared organizational culture helps to unite employees of different demographics. Many employees within an organization come from different backgrounds, families and traditions and have their own cultures. Having a shared culture at the workplace gives them a sense of unity and understanding towards one another, promoting better communication and less conflict. In addition, a shared organizational culture promotes equality by ensuring no employee is neglected at the workplace and that each is treated equally. Organizational culture helps to keep employees motivated and loyal to the management of the organization. If employees view themselves as part of their organization’s culture, they are more eager to want to contribute to the entity’s success. They feel a higher sense of accomplishment for being a part of an organization they care about and work harder without having to be coerced (Johnson and schools, 1999).

Healthy competition among employees is one of the results of a shared organizational culture. Employees will strive to perform at their best to earn recognition and appreciation from their superiors. This in turn increases the quality of their work, which helps the organization prosper and flourish. Guidelines contribute to organizational culture. They provide employees with a sense of direction and expectations that keep employees on task. Each employee understands what his roles and responsibilities are and how to accomplish tasks prior to established deadlines. An organization’s culture defines its identity. An entity's way of doing business is perceived by both the individuals who comprise the organization as well as its clients and customers, and it is determined by its culture. The values and beliefs of an organization contribute to the brand image by which it becomes known and respected (Schein 1995).
The importance of organizational culture and how it contributes to organizational effectiveness and achievement is well established. Organizational culture is possibly the most critical factor determining an organization's capacity, effectiveness, and longevity. It can also contribute significantly to the organization's brand image and brand promise, which can have both positive and negative implications. When culture is out of alignment with mission, core values, and operational strategy, it can become a significant liability for the organization. Organizational culture plays an especially critical role in most nonprofits, particularly those with a large and ever-changing pool of volunteers. Nonprofits generally evolve from a group of people working on a common cause to solve a community problem. What originally hold these individuals together are their shared commitment or purpose and the common underlying assumptions and values about what they want to accomplish and how they hope to accomplish it. Human systems naturally evolve from habits of behavior and thoughts based on these shared assumptions and values. These predictable and promoted behaviors and the written artifacts created by the groups as a whole gradually become the organizational culture. If the culture within an organization fails to evolve and change as rapidly as the social conditions in the community and society, the organization's culture often loses sight of the commitment or purpose that brought people together in the first place. The organizational culture then becomes an end in itself rather than the means. To keep organizational culture vital and relevant, people need a deep understanding of why the organization was created, what brought its members together in the first place, and why the group still exists today (Schein, 1985).

According to Schein (2004), culture is important because it shapes: What the organization considers to be “right decisions”; What employees consider to be appropriate behavior and how they interact with each other within the organization; How individuals, work groups and the organization as a whole deal with work assigned to them; The speed and efficiency with which things get done; The organizations capacity for and receptiveness to change, and The attitudes of outside stakeholders to the organization.

In short, an organizations culture can be supportive of or hinder the implementation of new initiatives and the achievement of its overall goals. When an organization is faced by a changing marketplace or regulatory environment, or has identified the need for a shift in strategic direction, the implementation of a new technology, or the introduction of new processes, the established culture may impede progress unless it, too, is changed. For that reason, the successes of major organizational change initiatives are almost always dependent
on internal cultural changes like; Circumstances change, Stakeholder expectations change, The demographics of the organization change, The organization’s objectives change, New technologies are deployed, and Ingrained attitudes are producing negative outcomes.

2.5 Characteristics and Elements of Organizational Culture

2.5.1 Characteristics of Organizational Culture

Hodgetts and Luthans (2003), define some of the characteristics of the organizational culture:

1) Norms are measured by things like as amount of work done and also the level of cooperation between management and employees of the organization.
2) Clearly rules are defined for employee’s behavior associated to the productivity, intergroup cooperation and customer relationship.
3) Observed behavioral regularities, as illustrate common language and formal procedures
4) Coordination and integration between the organizational units for the purpose of improvement in efficiency to works, quality and speed of designing, manufacturing the products and services.

On the other hand, organizational culture has the following major features (Bush, 2003):

a) **It focuses on the values and beliefs of members of organizations.**

These values underpin the behavior and attitudes of individuals within the organization but they may not always be explicit. These individual beliefs come together into shared values: „Shared values, shared beliefs, shared meaning, shared understanding, and shared sense making are all different ways of describing culture … These patterns of understanding also provide a basis for making one’s own behavior sensible and meaningful” (Morgan, 1997). This does not necessarily mean that individual values are always in harmony with one another. Morgan (1997), suggests that „there may be different and competing value systems that create a mosaic of organizational realities rather than a uniform corporate culture”.

b) **Organizational culture emphasizes the development of shared norms and meanings.**

The assumption is that interaction between members of the organization, or its subgroups, eventually leads to behavioral norms that gradually become cultural features of the organization. Consequently each staff developed its own taken for granted norms. Because shared meanings and ways of behaving became so taken for granted, existing staff were largely unaware of them.
c) **Culture is typically expressed through rituals and ceremonies which are used to support and celebrate beliefs and norms.**

Organizational symbols such as assemblies, prize-giving’s and ritual is at the heart of cultural models: „Symbols are a key component of the culture which have expressive tasks and symbols which are the only means whereby abstract values can be conveyed … Symbols are central to the process of constructing meaning’’

d) **Organizational culture assumes the existence of heroes and heroines who embody the values and beliefs of the organization.**

These honored members typify the behaviors associated with the culture of the institution. Campbell-Evans (1993, p. 106) stresses that heroes or heroines are those whose achievements match the culture: „Choice and recognition of heroes … occurs within the cultural boundaries identified through the value filter … The accomplishments of those individuals who come to be regarded as heroes are compatible with the cultural emphases.” Fundamental to value definition and management is the approach to organization development and its focus upon learning in the organization, the communication climate and the modality to generate a team spirit amongst employees at various levels. Strong cultures foster better employee motivation because employees are better able to understand what is expected of them and are more able to strongly identify with the organization. There are seven primary characteristics of Organizational Culture. These are language, customs, mission, values, climate, habits and symbols.

Hodgetts and Luthans (2003), define the different characteristics that are associated with the culture of organization. Counter Culture as Shared beliefs and values which are in directly opposite to the values and beliefs of the broader organizational culture recognized as countercultures, it mostly formed around a forceful manager or leader (Kerr, J., & Slocum, J. W., Jr. 2005). This type of culture may be bearded by the firm whenever positively contributing to the improvement of the organizational performance. But it is considered as a danger for the original organizational culture. Sub Culture; According to Schein (1995), subculture is the segments of culture which show different norms, values, beliefs and behavior of people due to difference in geographical areas or departmental goal and job requirements (within organization). Perception of employees about subculture was connected to employee’s commitment towards the organization (Lok, Westwood and Crawford, 2005). Some groups may have a similar enough culture within to allow for social interaction outside the workplace. Strong Culture; Culture of organization is considered strong, where the greater
part of the employees holds the same type of beliefs and values as concern to the organization. Culture of organization is believed strong, where the greater part of the employees embraced the same sort of beliefs and values as concern to the organization (Deal and Kennedy, 1982). They agreed that managers should try to reduce the gap between employees to develop a strong relationship. Management also considered that employees are more important than rules in the organization. Weak Culture: A weak culture of organization could be one that is loosely knit. Some time it may push individual thought, contributions and in a company that needs to grow through innovation, it could be a valuable asset, some time not. According to Deal and Kenndy (1982), a weak culture of organization could be one of that is loosely joined. Rules are imposed strictly on the employees that may create diversity between the person’s personal objectives and organizational goals.

2.5.2 Elements of Organizational Culture
Organizations develop their own culture. The culture of a organization consists of elements that are valued and practiced. The following list outlines some of the key elements of organizational culture: Values, Programme purpose environment, Rites and Rituals, Heroes, Communication Networks, Norms, Stories Myths and Legends, and Organizational Communication Climate. Both internal and external stakeholders benefit from a strong organizational culture. In the most general sense: A strong organizational culture provides work community identity, a sense of uniqueness, and sense of connection for all members within the organization. Internal stakeholders benefit from a strong organizational culture because people are a organization’s greatest resource and the way to manage them is by the subtle cues of culture; strong culture helps employees do their jobs better. A strong culture fosters better employee motivation because internal stakeholders are better able to understand what is expected of them and are able to more strongly identify with the organization when the culture is strong (Schein, 1992).

According to Schein 1992, external stakeholders benefit from an organization’s healthy culture as well. The organizations and organizations that do the best job thinking through what they are all about, deciding how and to whom these central messages should be communicated and executing the communication plan in a quality way, invariably build a strong sense of esprit within their own organization and among the many constituents they serve. Knowledge about an organizational culture again, when it is healthy and strong gives internal and external members a sense of purpose and importance within the organization because they adopt the organization’s shared meaning. As an organizational undergoes
change, as your organization is now doing, the issue of culture becomes even more critical
because it is generally called into question. Nonetheless, managers are still faced with the
challenge of providing some cultural continuity as change is initiated and as an organization
grows.

According to Schein (1992), the two main reasons why cultures develop in organizations are
due to external adaptation and internal integration. External adaptation reflects an
evolutionary approach to organizational culture and suggests that cultures develop and persist
because they help an organization to survive and flourish. If the culture is valuable, then it
holds the potential for generating sustained competitive advantages. Additionally, internal
integration is an important function since social structures are required for organizations to
exist.

2.6 Classification of Organizational Culture

Several methods have been used to classify organizational culture.

Charles Handy (1976) popularized Roger Harrison (1972) with linking organizational
structure to organizational culture. The described four types of culture are:

a) **Power culture**: concentrates power among a small group or a central figure and its
control is radiating from its center like a web. Power cultures need only a few rules
and little bureaucracy but swift in decisions can ensue.

b) **Role culture**: authorities are delegated as such within a highly defined structure.
These organizations form hierarchical bureaucracies, where power derives from the
personal position and rarely from an expert power. Control is made by procedures
(which are highly valued), strict roles descriptions and authority definitions. These
organizations have consistent systems and are very predictable. This culture is often
represented by a "Roman Building" having pillars. These pillars represent the
functional departments.

c) **Task culture**: teams are formed to solve particular problems. Power is derived from
the team with the expertise to execute against a task. This culture uses a small team
approach, where people are highly skilled and specialized in their own area of
expertise. Additionally, these cultures often feature the multiple reporting lines seen
in a matrix structure.

d) **Person culture**: formed where all individuals believe themselves superior to the
organization. It can become difficult for such organizations to continue to operate,
since the concept of an organization suggests that a group of like-minded individuals
pursue organizational goals. However some professional partnerships operate well as person cultures, because each partner brings a particular expertise and clientele to the firm.

According to Kotter and Heskett (1992), organizations with adaptive cultures perform much better than organizations with unadaptive cultures. An adaptive culture translates into organizational success; it is characterized by managers paying close attention to all of their constituencies, especially customers, initiating change when needed, and taking risks. An unadaptive culture can significantly reduce a firm's effectiveness, disabling the firm from pursuing all its competitive/operational options. Kim Cameron and Robert Quinn (1999), made a research on organizational effectiveness and success. Based on the Competing Values Framework, they developed the Organizational Culture Assessment Instrument that distinguishes four culture types. Competing values produce polarities like flexibility vs. stability and internal vs. external focus - these two polarities were found to be most important in defining organizational success. The polarities construct a quadrant with four types of culture:

- **Clan culture (internal focus and flexible)**
  This working environment is a friendly one where leaders act like father figures. People have a lot in common, and it’s similar to a large family. The leaders or the executives are seen as mentors or maybe even as father figures. The organization is held together by loyalty and tradition. There is great involvement. The organization emphasizes long-term Human Resource development and bonds colleagues by morals. Success is defined within the framework of addressing the needs of the clients and caring for the people. The organization promotes teamwork, participation, and consensus.

- **Adhocracy culture (external focus and flexible)**
  This is a dynamic and creative working environment with leaders that stimulate innovation. Employees take risks. Leaders are seen as innovators and risk takers. Experiments and innovation are the bonding materials within the organization. Prominence is emphasized. The long-term goal is to grow and treat new resources. The availability of new products or services is seen as success. The organization promotes individual initiative and freedom.

- **Market culture (external focus and controlled)**
  This is a results-based organization that emphasizes finishing work and getting things done. It is a competitive workplace with leaders like hard drivers. People are competitive and focused on goals. Leaders are hard drivers, producers, and rivals at the same time. They are tough and
have high expectations. The emphasis on winning keeps the organization together. Reputation and success are the most important. Long-term focus is on rival activities and reaching goals. Market penetration and stock are the definitions of success. Competitive prices and market leadership are important. The organizational style is based on competition.

**Hierarchy culture (internal focus and controlled)**

This is a formalized and structured work environment. Procedures decide what people do. It is a structured and formalized workplace where leaders act like coordinators. Leaders are proud of their efficiency-based coordination and organization. Keeping the organization functioning smoothly is most crucial. Formal rules and policy keep the organization together. The long-term goals are stability and results, paired with efficient and smooth execution of tasks. Trustful delivery, smooth planning, and low costs define success. The personnel management has to guarantee work and predictability. In my opinion, the role culture and the hierarchy culture encompass most of Ethiopian public institutions.

### 2.7 Concepts and Principles of Institutional Reform

#### 2.7.1 Concepts of Institutional Reform

An institution is social structure in which people cooperate and which influences the behavior of people and the way they live. An institution has a purpose and is permanent, which means that they do not end when one person is gone. An institution has rules and can enforce rules of human behavior. The word "institution" can be used in two ways. It can mean a very broad idea, or a very specific one. For example: Government is an institution in the broad sense. Ethiopian Parliament is an institution in the specific sense. Education is an institution in the broad sense. Addis Ababa University is an institution in the specific sense. Some important institutions are: Marriage, Education, Kinship, Religion, Government, Law, Trade, Defense, … etc. Some societies have many institutions in the "specific" sense. These societies have an organized government, schools, hospitals, churches, clubs, armies, markets, courts and places for entertainment. Some societies have very few of these things, but this does not mean that there are no "institutions". Three institutions can be reformed to promote good governance are the state, the private sector and civil society.

In recent times, there has been accelerated change globally brought about by technological advances, greater decentralization and good governance. These dynamic changes emanated from technological innovation, public pressure to redefine the role of the state, or the development of supranational institutions rapid global economic advances. The consequences of these changes are being felt by government in the form of increasing expectations for
better governance through effective service delivery, transparency, accountability and rule of law. The World Bank also recently concluded that public sector reform has “great potential to reduce poverty” and that “good ... government institutions associated with higher income growth, national wealth, and social achievements” (World Bank, 2000). The public sector reform programs have a great deal for development, and in at least two ways. Firstly, it will lead to better delivery of the basic public services that affect living standards of the poor, and secondly, it will create a climate conducive to private sector development. Because of this, various countries commenced to reform their public service with the evolving and changing role of the state. Whether it is the onset or end of war, the collapse of communism, the demands of the populace, the development and crisis of the welfare state, economic imperatives, decentralization or the introduction of technology, states face the challenge of adapting to these dynamic factors (Miller, 2005).

Civil Service is the operational arm of the government charged with the implementation and administration of public policy (Atkilt, 1996), must keep pace with the changing times in order to meet the aspirations of the people. The purpose of reform is to reorient the Civil Services into a dynamic, efficient and accountable apparatus for public service delivery built on the ethos and values of integrity, impartiality and neutrality. Thus, the impetus of Civil Service reform is to raise the quality of public services delivered to the citizens and enhance the capacity to carry out core government functions, thereby, leading to sustainable development. Hence, the government of Ethiopia through its Public Service Reform Programme continues to improve and modernize its systems to support the development of the country and provide timely and high quality services to all customers. The latest development in this process is the introduction of the civil service reform. To this effect, Ethiopian Government has taken the initiative to build the capacity in all the regional states of the country. Based on this initiative, the transport authority adopted reform programs to promote transparency, accountability & good governance.

Change resides at the heart of leadership. Organizational culture is one of many situational variables that have emerged as pivotal in determining the success of leaders’ efforts to implement change initiatives. Organizational culture has consistently emerged as a pivotal variable in determining the success of efforts to implement institutional change (Bate et al., 2000). According to North, (1990) the five propositions about institutional change are:

a) The continuous interaction between institutions and organizations in the economic setting of scarcity and hence competition is the key to institutional change.
b) Competition forces organizations to continually invest in skills and knowledge to survive. The kinds of skills and knowledge individuals and their organizations acquire will shape evolving perceptions about opportunities and hence choices that will incrementally alter institutions.

c) The institutional framework provides the incentives that dictate the kinds of skills and knowledge perceived to have the maximum pay-off.

d) Perceptions are derived from the mental constructs of the players.

e) The economies of scope, complementarities, and network externalities of an institutional matrix make institutional change overwhelmingly incremental and path dependent.

The study of institutions and institutional change necessitates as a first requirement the conceptual separation of institutions from organizations. Institutions are the rules of the game and organizations are the players. The interaction between the two shapes institutional change. Institutions are the constraints that human beings impose on human interaction. They consist of formal rules (constitutions, statute law, common law, regulations) and informal constraints (conventions, norms and self enforced codes of conduct) and their enforcement characteristics. One common usage of the term “civil service” has to do with the specific arm or branch of government service that oversees the hiring process. In this application, a specific department will set employment standards that are observed by the other departments that make up the government administrative arm. It is not unusual for this department to develop and administer all examinations related to potential employment with the government in question. The second use of civil service is as a more general term. When this is the case, the phrase may refer to any of the many departments that make up a government. In most instances, this will be a sweeping application that will include all departments except the military arms of the government. However, there is some variance in just how broad the application will be. In some nations, civil service is defined as applying to any and all government entities, while in others the term is understood to mainly focus on departments concerned with clerical or administrative functions.

2.7.2 Principles of Public Sector Reform

A system of adequately performing public bureaucracies is a basic requirement for developing countries to progress and prosper. Public administration refers the aggregate machinery (policies, rules, procedures, systems, organizational structures, personnel, etc.) funded by the state budget and in charge of the management and direction of the affairs of the executive government, and its interaction with other stakeholders in the state, society and
external environment. It also refers to the management and implementation of the whole set of government activities dealing with the implementation of laws, regulations and decisions of the government and the management related to the provision of public services. Public administration as both theory and practice began in the late nineteenth century. Now days, the principles that guide the administration in the public institutions divided into two traditional and modern of public administration. The underlying principles for the traditional model of public administration include the Max Weber’s theory of bureaucracy, Frederick Taylor’s theory of scientific management and Woodrow Wilson’s principle of separation of politics from administration. According to them the traditional model of public administration is characterized by administering under the formal control of political leadership, based on a strictly hierarchical model of bureaucracy, staffed by permanent, neutral and anonymous officials, motivated by the public interest, serving any government part equally, and not contributing to policy but merely administer those policies decided by the politicians, Fox and Miller (1995). In the past two decades there has been an unprecedented wave of reform as the traditional model of public administration has come under attack (Minongue, 2001: 20).

The traditional model of public administration being replaced by the so called New Public Management, the traditional model of public administration remains the long-lasting and most successful theory of management in the public sector. It is only that in recent times, its theories and practices are now considered old-fashioned and no longer relevant to the needs of a rapidly changing society. To this effect, according to Jreisat, (2002) a new paradigm in management is assuming that the existing management system is deficient, ill-organized, poorly managed, very costly and generally ineffective for the government. From this, we can understand that New public management (NPM) seeks to enhance the efficiency of the public sector, a collection more flexible strategies in terms of service delivery and human resource management. The main assumption in the NPM-reforms is that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other objectives and considerations.
Thus, new paradigm for civil service reforms in the more academic literature, they have been described as “New Public Management” or “Managing for Results” or “Reinventing Government.” As Kamarck (2007), the main characteristics of the NPM are:

- An emphasis on management skills to complement policy skills, Government works well if it is organized around baskets of “services and results” not the hierarchies of “agencies and programs.”
- Government services should be organized and sensitive to their customers.
- Results-orientation results in better management than the stewardship orientation reflected in traditional public administration.
- Accountability is largely driven via transparency and choice instead of hierarchy and inspection.
- It attempts to break down operational procedures in order to better focus on outcomes.
- Pursue a customized response vs. one-size-fits-all; to do this requires pushing as much authority as practicable to the front line delivery agent, or reducing the distance between the “center” and the “edge” as much as possible.
- Use incentives in place of disincentives where possible (“trust but verify”) and Place a greater reliance on risk management than on risk avoidance.
- Emphasize being performance-based rather than process-compliance focused in accountability and oversight.
- Separate policy and regulatory development from program implementation functions in order to increase the programmatic executive-level emphasis on implementation.

### 2.8 Objectives and Challenges of Institutional Reform Implementation

#### 2.8.1 Objectives of Institutional Reform Implementation

The civil service as primary arm of government must keep pace with the changing times in order to meet the aspirations of the people (Atkilt 1996: 55). Based on this, the ultimate goal of government in developing countries is to reduce poverty and to enhance public institutions effectiveness. The reform is to raise the quality of public services delivered to the citizens and enhance the capacity to carry out core government functions, thereby, leading to sustainable development (World Bank, 2002). The overall objective of the CSRP was to restructure the civil service in such a way as to make it more productive, effective and efficient, and strengthen its capacity for the implementation of development programmes. CSRP was designed to contribute for improving the management of resources in the public sector.
Generally the main objective of CSR is to put forward proposals to restructure the administration of the civil service so as to make it more reliable and prepare one to face the changes and increasingly demanding challenges in years ahead and meet the demands of the society. Furthermore, the World Bank as cited in Etefa the major objectives of the CSR are primarily structural with an impact on service delivery and government effectiveness that have a close link with a macroeconomic stability (World Bank, 2002).

In a general perspective, there have been three waves of PSR in the region. The First Wave was Structurally-Oriented Public Service Reforms. The drive for this first wave of PSR in SSA, as was the case in other developing countries, emerged from the macroeconomic and fiscal reforms that were set in structural adjustment programmes sponsored by the donors. Public service reform then sought to make Government affordable and lean through cost reduction and containment measures, especially by way of rationalizing the machinery of Government, divesting non-core operations, retrenching redundant staff, removing ghost workers from the payroll, freezing employment and adopting measures to control the wage bill and other personnel-based expenditures.

The Second Wave Focus on Capacity Building. Staff training was for many years a pronounced element of capacity building in the public service of most governments in the region. In the mid-1990s, there was a remarkable shift to a broader definition of what capacity building entailed which was accompanied by new initiatives in the context of public sector reform programs. Moreover, the second wave includes; Enhancing staff skills, Improving management systems and structures, Restoring incentives and improving pay, and improving the work environment. The third Wave was Focus on Service Delivery Improvements. Besides the perceived inadequacies of the first and second waves of PSRPs, the added impetus for the reform programmes to focus on service delivery improvement originated from six factors. In brief they are: The need to demonstrate early results; Public demands for transparency and accountability; the shift to market economies and private sector-led economic growth; Influence of “new public management”; the need for PSRPs to support sector-wide approaches; and Pursuit of an integrated systems approach.

The Ethiopian People’s Revolutionary Democratic Front (EPRDF), after coming to power in May 1991 by overthrowing the Dergue regime, set up a transitional government (1991-1994) and subsequently a Federal Democratic Government in December 1995. This government has been taking different reform measures in the political, economic and social spheres. As stated above the major changes include the move from a centralized unitary state to an ethnic based
decentralized state; a shift from a command economy to a market-based economy in the context of a structural adjustment; and the introduction of a multi-party electoral system. The EPRDF government has also taken different specific measures, one of which is civil service reform. So far the government has implemented two phases of civil service reform.


The measures taken include the initial actions of the EPRDF to overhaul the civil service system. As claimed by the government, some of the reasons for taking the reform measures were the rules and regulations governing the civil service are outmoded and outdated.; the civil service is characterized by a general lack of experience in plan execution; the civil service does not have a structural set up that is amenable to plan execution as well as to effective monitoring and control; there is a lack of clearly defined management systems and procedures in the management of personnel, finance and property; and there was inadequate managerial know-how, lack of standard job classification, weaknesses in manpower planning and utilization. In order to alleviate the above problems of the civil service, the government established an Inter-Ministerial Committee (task force) consisting of representatives from the Prime Minister’s Office, Ministries of Education, Finance, and Economic Development, Labor and Social Affairs and the Civil Service Ministry. The committee was mandated to review the appropriateness of the then existing structure of government in the light of the new economic policy and devolution measures. The other major reform measure taken during the first phase was the issuance of a retrenchment policy in November 1993. The policy resulted in the retrenchment of civil servants and employees of public enterprises who were said to be redundant (Atkilt, 1996).

**Phase II: (1996 – Present)**

This phase can be considered as another enhanced process of Ethiopian civil service reform. As pointed out by the government, the reform is a continuation of the structural and economic reform process that began in 1992. It is also taken as one aspect of the development strategy and reform measure that the Ethiopian government plans to implement during the three year period of 1998/9 -2000/1.
The second phase of the civil service reform was comprehensive and included five major sub-programs.

1) THE EXPENDITURE MANAGEMENT AND CONTROL SUB-PROGRAM:
The subprogram is under the responsibility of the Ministry of Finance. Under this program, by the year 2000/1, it is expected to develop a comprehensive legal framework for the entire financial management of the civil service; develop a system where budget appropriation and execution is done by taking into consideration governmental priorities as well as yearly and medium term plans of the concerned institutions; institute an improved system whereby government financial resources can be properly received, maintained and utilized; bring about better accountability to the Council of Representatives and develop human resources that possess professional knowledge and qualifications in financial management and control.

2) HUMAN RESOURCE MANAGEMENT SUB-PROGRAM:
The major aim of the program is to modernize the human resource management in the civil service so as to develop an effective and efficient civil service. The responsibility of this sub-program is given to the Ministry of Federal Civil Service. The sub-program, by the year 2000/1, will have developed the following: a refined system for administering the employees of the civil service institutions in a just and equitable manner; a system of pay and promotion which is directly related to merit/performance; an effective system which allows the development of a human resources plan so as to implement government policies and priorities; comprehensive and uniform rules and regulations for managing the human resources of the civil service and an adequate number of knowledgeable and capable employees in the civil service.

3) TOP MANAGEMENT SYSTEM SUB-PROGRAM:
The sub program is housed in the Office of the Prime Minister and will work towards the improvement and selection of senior government officials. The objectives of the reform program, for the year 2000/1, are to see strategic management approaches being followed in the planning, implementation and control of the total operations of federal institutions; to improve the practice of management, especially in the areas of planning and controlling, delegation of authority, responsibility and accountability, in the federal and regional institutions; and to have improvements in the structure of the Prime Minister’s Office.
4) SERVICE DELIVERY AND QUALITY OF SERVICE SUB-PROGRAM:
The program is under the Office of the Prime Minister and is designed to improve the quality of service provided by public sector employees and includes the establishment of a complaint-handling mechanism. The program, by the year 2000/1, will have made civil service institutions follow an appropriate and improved system of service delivery so as to give service to the public in an effective, efficient, transparent and impartial manner; the employees of the civil service institutions have the responsibility and obligation to provide quality service to the public fairly, equitably, honestly, efficiently and effectively.

5) THE ETHICS AND JUDICIAL REFORM SUB-PROGRAM:
The sub-program will be under the responsibility of the Office of the Prime Minister. By the year 2000/1, it will improve awareness of civil service personnel that government activities should be free of fraud, embezzlement, corruption and other unwanted mal-practices; develop a feeling of commitment, among the civil service employees, to an appropriate use of government money and resources; develop necessary arrangements to have ethical practices in federal institutions and regional governments; improve the capacity of the police, courts and attorneys to investigate and pronounce on unethical practices; improve the capability of the media to adequately search, investigate and publicize unethical practices of government bodies; develop a code of conduct and educate the society about the need for and importance of ethical practices; and create institutions that will follow up and control unethical practices. The whole program is managed by a high level committee led by the Prime Minister of the country and the members include: the Deputy Prime-Minister and the Ministry of Defense of the country; the head of Social and Administrative Division in the Prime Minister’s Office, with the rank of Minister, directors of the sub-programs, and high-level experts. This committee is responsible for making strategic decisions about the programs, enhancing the participation of the regional administrations and federal institutions and reporting to Parliament.

Therefore, in the light of the CSRP and other reform programs included in the package of SAPs, the Ministry of Civil Service reformulated the following objectives for the CSRP in June 2003:

- To shake off basic weaknesses ingrained in the existing Civil Service inherited from the past regime
- To build the capacity of the Civil Service so that it will execute the policies and programs of the government successfully
➢ To facilitate the Civil Service to provide efficient and fair services to the public
➢ To enhance transparency and accountability in the Civil Service
➢ To build a Civil Service that stands for gender and ethnic equality and rights
➢ To build a Civil Service that is ethically sound and free of corruption, nepotism, and favoritism

Although these objectives enjoy broad support in the country, the challenge is whether the government is capable of bringing about the envisaged change in the system. There are doubts about the environmental readiness, political commitment, and that the required level of technical expertise is in place to institute the change. As Peterson (2001: 138) notes: Ethiopia’s CSR is an ambitious programme that would tax the capabilities of any developed or developing government. The strategy document of the reform is an impressive blueprint for broad transformation. Whether the reform is too ambitious depends on how implementation is sequenced.

2.8.2 Challenges of Institutional Reform Implementation

Reform, in particular within the public sector, has been undertaken in many countries and has proved to be challenging and difficult to manage. The challenges involved in managing reform, as experienced by Western as well as developing economies, have many aspects in common. These include the need to pay attention to appropriate structure, relevant skills and competencies, legislative support, appropriate behavior and attitudes, and most importantly a visionary leadership. Public sector management has faced a number of challenges that have limited the scope, speed and quality of services rendered. There is no doubt that there are observable limits to the ability of a government to solve all economic and social problems. Such challenges include institutional capacity; multiple accountability; declining public service ethics; declining social values and civil service morale; and corruption. The other major challenges were the misunderstanding on BPR from people in organization, including stakeholders (Belete, 2008). According to Belete (2008) some of the major misunderstanding points are: Thinking BPR is American culture oriented, it doesn’t work in our environment; BPR resulted in massive lay off; BPR needs sophisticated technology; and BPR is for those developed countries that passed through industrial development and technologically advanced, we are too far behind, so we do not have resources, readiness to absorb BPR.
Organizational leaders, steering teams, redesign teams and change agents have passed through many challenges at different times and in different processes of the CSR. These are:

- **Misconceptions about civil service program or attitudinal problem:**
  Misconceptions and attitudinal problems include: not understanding civil service reform in its entire sense and attempts to restructure departments; weakness or unwillingness to sense and internalize the need for change; complacence with the status quo; relating civil service only with downsizing and turning once back to the concepts and empirical evidences.

- **Absence consolidated bureaucratic structure with competent personnel**
  According to Ataklit, (1996) there is a serious problem or shortage of a professionally recruited and trained staff. The administrative performances in delivering public services are very poor which resulted from absence of well developed administrative system. But the whole civil service forced to move blindly from one to another end. To alleviate, he proposes that before implementing the whole concepts or elements of NPM there should be essential background work in capacity building and in other areas of administration.

- **Limited Commitment among Some Organizational Leaders (at early stages):**
  Lack of such commitments and poor communication has been revealed through: lack of adequate knowledge on the concepts of business process re-engineering (BPR); putting the change agenda aside or giving it as an assignment to others; not cooperating with the assigned change agents (consultants); not assigning the best people for reengineering teams; inadequate follow up and weak support.

- **Poor communication:**
  The BPR framework requires communication with employees, customers and stakeholders throughout the various phases of the project cycle. Due to lack of formal communication (especially in the middle of the project), however, confusion and rumors among employees have been common in many public institutions.

  According to Hammer and Stanton (1994:14-33) there are ten top mistakes that cause the reengineering effort fail. These are: to say you are reengineering without actually doing it; trying to apply BPR where it can not fit; to spend too much time analyzing the existing processes; to attempt the reengineering without the requisite leadership; difficulty in coming up with new ideas; the attempt to go directly from process redesign to implementation; not reengineering quickly; limiting the range of reengineering effort; to adopt the wrong style of implementation; and Failure to attend the concerns of the people.
The most recent reform phase began in September 2001, with the launch of the Public Sector Capacity Building Support Program (PSCAP), which also revived the CSRP. The Government has moved quickly to prepare the CSRP for its “full implementation” across all regions and levels of government. Pilot studies and special programs on performance and service delivery improvements in selected Ministries, Agencies, and Bureaus have been initiated. These include; the establishment of focal points responsible for reform implementation across tiers of government; a series of workshops undertaken to sensitize the political leadership and civil servants across the country; and the launch of a “special program” of Performance and Service Delivery Improvement Policy (PSIP) in priority Ministries, Agencies, and Bureaus designed to deepen the implementation of performance management. PSIP, along with other reform programme areas, have promoted Business Process Reengineering (BPR) as a key management initiative, particularly in those ministries that interface directly with the private sector. However, recently the perception is that the CSRP in general is losing momentum, and following an appraisal of PSCAP, the following challenges remained including inefficiencies derived from poor financial management, poor incentives and a lack of strategic or performance orientation across all levels of government (Watson 2005).

Institutional capacity, particularly in relation to human resource development, remains a major obstacle to reform in Ethiopia (Mengistu and Vogel, 2006). According to Gebriel (2002), of the 300,000-plus civil servants, less than 17% held a college diploma and the majority of these were concentrated in major cities such as Addis Ababa. The creation of an enabling environment for the reform is one of the demanding tasks of acquiring the resources to build the technical capabilities and to develop human resources. As in the case of most African countries, a consortium of donors, coordinated by the World Bank, have extended loans to finance the PSCAP, which has the following objectives:

- To improve the scale, efficiency, and responsiveness of public service delivery at the Federal, regional, and local level
- Empower citizens to participate more effectively in shaping their own development
- Promote good governance and accountability (Ministry of Capacity Building, 2004)

Clearly, to attain these objectives requires changes in bureaucratic values. As Mengistu and Vogel (2006: 209) observe, “the current lack of capacity presents a severe, fundamental governance challenge for Ethiopia”. However, reforms are sweeping through public administration in Ethiopia, as the study demonstrates.
2.9 The Effects of Institutional Reform on Organizational Culture

Research suggests that numerous outcomes have been associated either directly or indirectly with organizational culture. A healthy and robust organizational culture may provide various benefits such as, competitive edge derived from innovation and customer service; consistent, efficient employee performance; team cohesiveness; high employee morale, and strong company alignment towards goal achievement. Organizational culture is reflected in the way people perform tasks, set objectives, and administer the necessary resources to achieve objectives. Culture affects the way individuals make decisions, feel, and act in response to the opportunities and threats affecting the organization. Schein, (1985) found that job satisfaction was positively associated with the degree to which employees fit into both the overall culture and subculture in which they worked. A perceived mismatch of the organization’s culture and what employees felt the culture should be is related to a number of negative consequences including lower job satisfaction, higher job strain, general stress, and turnover intent. It has been proposed that organizational culture may impact the level of employee creativity, the strength of employee motivation, and the reporting of unethical behavior, but more research is needed to support these conclusions (Schein, 1985).

According to Schein 1990, organizational culture also has an impact on recruitment and retention. Individuals tend to be attracted to and remain engaged in organizations that they perceive to be compatible. Additionally, high turnover may be a mediating factor in the relationship between culture and organizational performance. Deteriorating company performance and an unhealthy work environment are signs of an overdue cultural assessment. When an organization does not possess a healthy culture or requires some kind of organizational culture change, the change process can be daunting. Culture change may be necessary to reduce employee turnover, influence employee behavior, make improvements to the company, refocus the company objectives and/or rescale the organization, provide better customer service, and/or achieve specific company goals and results. Culture change is impacted by a number of elements, including the external environment and industry competitors, change in industry standards, technology changes, the size and nature of the workforce, and the organization’s history and management.
Prior to a cultural change initiative, a needs assessment is needed to identify and understand the current organizational culture. This can be done through employee surveys, interviews, focus groups, observation, customer surveys where appropriate, and other internal research, to further identify areas that require change. The company must then assess and clearly identify the new, desired culture, and then design a change process. Schein, (1990) give the following six guidelines for cultural change:

1) Formulate a clear strategic vision. In order to make a cultural change effective a clear vision of the organization’s new strategy, shared values and behaviors is needed.

2) Display top-management commitment. It is very important to keep in mind that culture change must be managed from the top of the organization, as willingness to change of the senior management is an important indicator. The top of the organization should be very much in favor of the change in order to actually implement the change in the rest of the organization.

3) Model culture change at the highest level. In order to show that the management team is in favor of the change, the change has to be notable at first at this level. The behavior of the management needs to symbolize the kinds of values and behaviors that should be realized in the rest of the organization. It is important that the management shows the strengths of the current culture as well; it must be made clear that the current organizational does not need radical changes, but just a few adjustments.

4) Modify the organization to support organizational change. The fourth step is to modify the organization to support organizational change. This includes identifying what current systems, policies, procedures and rules need to be changed in order to align with the new values and desired culture. This may include a change to accountability systems, compensation, benefits and reward structures, and recruitment and retention programs to better align with the new values and to send a clear message to employees that the old system and culture are in the past.

5) Select and socialize newcomers and terminate deviants. A way to implement a culture is to connect it to organizational membership, people can be selected and terminate in terms of their fit with the new culture. Encouraging employee motivation and loyalty to the company is a key and will also result in a healthy culture.
6) Develop ethical and legal sensitivity. Changes in culture can lead to tensions between organizational and individual interests, which can result in ethical and legal problems for practitioners. This step will also identify obstacles of change and resistant employees and to acknowledge and reward employee improvement, which will also encourage continued change and evolvement. It may also be helpful and necessary to incorporate new change managers to refresh the process. Outside consultants may also be useful in facilitating the change process and providing employee training. Change of culture in the organizations is very important and inevitable.

As to me, guidelines for cultural change are not implemented in our country, if it is implemented as mentioned above strong organizational culture creating possible in our country.

According to Saffold (1998), firstly, culture can give a shape to the organizational processes which again helps to create and modify culture. Secondly, it is likely that culture’s contributes to performance is significantly less undemanding than many studies involve. Most of writers and successful managers suggest that strong organization culture is very essential for business because of three important functions: Firstly, organizational culture is extremely fixed with the social control that may cause to make influence on the employee’s decisions and behavior. Secondly, organizational culture works as social glue to bond the employees together and make them feel a strong part of the corporate experience, which is useful to attract new staff and retain the best performers. Thirdly, organizational culture is very useful to assist the sense making process, helps the employees to understand the organizational events and objectives, which enhance the efficiency and effectiveness of the employees.

Strong culture has almost considered as a driven force to improve the performance of the employees. It enhances self confidence and commitment of employees and reduces job stress and improves the ethical behavior of the employees (Saffold, 1998). Further he states that mostly studies on culture tend to emphasize on a single organizational culture. But in the Deal and Kennedy’s (1982), point of view both strong and weak culture have a great impact on the organizational behavior but in the strong culture, employee’s goals are side with the goal of management and helpful to increase the overall organizational performance.
Handy (1993: 192-199) indicates a number of other influences that determine the culture of an organization.

1) **History and ownership:**
Organizational culture depends on the history of the organization, as well as key decision makers because organizations mature and incorporate the cultures of their founders, key executives and dominant groups (Handy, 1993). The organizational culture is more enduring than the employee within it, because it existed before the employee joined the organization, and will continue to exist after the employee has left the organization (Martin, 2000). It can therefore be seen that organizational culture is enduring. It would be difficult to integrate all of the various cultures that are arising out of the amalgamation process at the local municipal level. Thus it is important to identify the existing organizational culture within the selected municipality in order to improve the municipality’s effectiveness and efficiency with regards to service delivery. Although culture is enduring, it is subject to the interaction of the employees that flow through the organization (Martin, 2000).

Ownership also has an impact on the culture, with the culture differing according to the different leadership styles. A new generation of organizational leaders will often alter the culture when they arrive at the organization (Handy, 1993). With regards to local municipalities, top management is hired on a five-year contract, therefore every five years, the leadership of the selected municipality could be altered. The altering of the leadership of the selected municipality therefore has an effect on the organizational culture within the municipality, which increases the importance of this research to the selected municipality.

2) **Size:**
The organization’s size is often the most important influence on the type of organizational culture. In larger organizations, operations are more formalized, which basically means that the cultures of large and small organizations are different due to the natural function of the size of operations (Handy, 1993).
3) **Technology:**

The design of the organization has to take into account the nature of the work as well as the people, because the kind of technology used within an organization will have an effect on the culture of that organization (Handy, 1993). An organization will emphasize employees’ technical skills in the values that govern its culture, if the organization specializes in the use of advanced technology within its operations (Martin, 2000).

4) **Goals and objectives:**

Culture can be influenced by what the organization sets out to achieve, yet the culture can also influence objectives that the organization seeks. Organizational goals can change over time as the organizational culture changes (Handy, 1993: 195).

5) **Environment:**

The external environment is made up of a number of dependent and independent elements, and the way in which the organization interacts with these elements alters the culture of that organization (Martin, 2000: 603-604). The nature of the environment is often taken for granted by the employees of an organization within that environment, but it is important in determining the organizational culture, for example, different nationalities prefer different cultures; changing environments require sensitive and flexible cultures; and diversity in the environment requires diversity in the organizations structure (Handy, 1993: 195-196).

6) **The people:**

A fit between the organization, its culture, and its individual employees should result in a satisfied employee (Handy, 1993: 199). The individual orientations of key leaders in the organization will have a significant impact in determining the dominant organizational culture, regardless of what it should be (Handy, 1993: 199).
CHAPTER THREE

METHODOLOGY OF THE STUDY

3.1 Selection of the Study Area
The federal transport authority was chosen as an area of study because of the researcher’s interest to contribute to the advantages of the sector for improved capacity for best customer service delivery. The population of this study consists of all employees of the organization in Addis Ababa.

3.2 Research Design
The methodology employed in this research was both qualitative and quantitative research method. The qualitative approach mainly the case study method is used to undertake the specific research under consideration because it is characterized by an emphasis on describing, understanding, explaining complex phenomena by using multiple sources of evidence for holistic in depth investigation. Specially to find good, full multi-dimensional, dynamic picture on this study the qualitative research approach is important which enables to understand the strained aspects of relations between institutional reform and organizational culture by this triangulated research method. In order to undertake these activities, to explain and meet the research objective case study method is employed. This approach has the potential to deal with simple and complex situations. It enables the researcher to answer “how” and “why” type questions, while taking into consideration how a phenomenon is influenced by the context within which it is situated. For the researcher a case study is an excellent opportunity to gain tremendous insight into cases and it enables to gather data from a variety of sources. According to (Yin 2003), the case study has been followed in about decisions, programs, implementation process and organizational change. That is why this method was chosen in this study.

As described by many scholars such as Clissett (2008) qualitative research covers a wide range of approaches for the exploration of “human experience, perceptions, motivations and behaviors” and is concerned with the collection and analysis of words whether in the form of speech or writing. In addition, Schwandt (2007) believes that understanding is itself a phenomenon which lies at the core of the qualitative research because “qualitative
methodology and underlying philosophy are highly appropriate for understanding complex issues”. This is mainly to get enough information from multiple sources of data and create a picture with empirical enquiry which covers the whole image in it by collecting data for further examination through a variety of angles or different peoples. And, it certainly excels at generating information that is very detailed and important. In the final step, this data is to establish an enriched and significantly meaningful perspective. Indeed “meaning” is of essential concern to the qualitative research (Bogdan and Biklen, 1992). Thus, the researcher tried to check the validity of study by giving a great care for the reactivity, subjectivity issues that could hamper the research result by using data triangulation. This research design has enabled to explore about human perception and cultural changes in the organization.

3.3 Population and Sampling Procedures

The sample for the study was taken from the employees of the organization. According to the organizations human resource process information, currently there are 250 employees including higher political appointees, in which I used as my population for this case study. Thus, a sample of 75 employees which is about 30 percent of the total number was taken for the questionnaire survey to be administered for this particular study. The sample size is believed to be a representative of the population as large sample size (30 percent) is taken from the total population.

Accordingly, respondent employees are selected through simple random sampling method for it is very useful to distribute the questionnaire to the respondents with the equal chance of being selected as the respondents with the help of personnel managers of the organization for administering the questionnaires. In addition, an interview is conducted with purposively from three selected key official informants. Hence, it is easy to get an in depth information on the issue. Moreover, it helps to get information from those who have depth know how and long experiences on the issues under discussion.

Respondents are encouraged to increase the response rate by explaining the objective of the study and by distributing and collecting individually so that no one in their organization will ever see the completed questionnaires. In order to avoid any direct contact between the personnel departments and employees who could not complete the questionnaires when the researcher was around were asked to keep the completed questionnaires under their shelves till the researcher came back to collect them.
3.4 Data Collection Techniques

The research method involves primarily qualitative approach and the specific method here adopted is descriptive type of research. It describes the issue conducted through structured questionnaires. Questionnaires, interviews and archive documents are used to gather the primary data concerning the employee perception on the impacts of institutional culture after the implementation of institutional reform in the organization. More the researcher used a stratified sampling method to find sample from each departments within the organization. Specifically, structured questionnaires were distributed randomly to the employees selected by stratified sampling technique. Structured questionnaires and interviews are also used for gathering information from employees and officials” respectively.

To this end the multiple sources of evidences in the case studies allows a researcher to address a broader range of historical, attitudinal and behavioral issues to produce data triangulation aimed at corroborating the same facts or phenomenon (Yin, 2003). Thus, with data triangulation the potential problems of validity also can be addressed. Therefore, this study has also used various tools and sources to reach at the intended objectives. According to Trochim William (2005:125), case study is an intensive study of a specific individual or specific context and there is no single way to conduct a case study, and combination of methods (such as unstructured interviewing and direct observation) is often used. Besides, the case study method helps in locating problems and identifying solutions in their context. The instruments used to collect data in present case are mainly Questionnaires, and in-depth interviews with probing.

This research is aimed to employ the following data collection techniques in order to collect both primary and secondary sources. These includes: structured interviews with key official informants, questionnaire survey, archives documents, and to some extent own personal observations.

3.4.1 Primary Source of Data

This study has based itself much on the primary sources of data by means of qualitative data collection method by employing different tools such as questionnaires and interviews. Besides, for better triangulation of the information gathered from the organization, personal observations are undertaken by the researcher by systematically looking at what was going on. Finally, this information has been fine tuned and made ready for data analysis and presentation. In order to collect primary data the researcher has employed
both closed and few open ended questionnaires. Using a few open ended questionnaires is due to its advantage in giving room and freedom for respondents in answering questions and also it enhances the chance to provide in depth responses and it gives an opportunity to the researcher to ask the reason behind the respondents’ answers. Likewise, close ended questionnaire has helped the researcher to cover a great deal of questions at a time and it is also easy for the respondents since it is provided with alternatives (choices) to be ticked or selected. Close-ended questionnaire has been predominantly used to collect data related to reform success and failure on achieving the objective of changing the organizational culture and employee performance.

Moreover, interview question, and document analysis has been used to collect data linked with all variables. All the above mentioned sources of data have been consulted to check and cross-check the validity of the data collected. Thus, interview guides which comprise the structured questions were developed to collect supplementary data on questionnaire survey. In selecting key official informant samples for interview the researcher considered Time, Accessibility and Opportunity to gather detailed information as criteria. Accordingly, questionnaires consisting of three parts were developed and administered by the researcher. The first part intended to collect personal back ground information about respondents whereas the second and third parts aimed at assessing the attention given for changing organizational culture during implementation of reforms in the organization, the achievements gained on changing the culture of the organization as a result of implementing institutional reform and the major challenges encountered on organizational cultural change after the implementation reforms. To this end, the items were constructed by the researcher after consulting different materials and commented by the advisor for distribution to the respondents.
3.4.2 Secondary Sources of Data

This includes reviewing the available relevant literature materials, regulations, bulletins, reports, and the written documents both from within or outside the organization about the implementation of institutional reform especially on the impacts of institutional reform implementation on changing organizational culture. These include reports on reform, Task force documents on CSRP and BPR, books, proceedings, websites and others.

3.5 Data Analysis

The data analysis for this study will involve both qualitative and quantitative research approach using its instrument. After relevant information was collected data presentation and analysis were the necessary steps. The information that were collected from both primary and secondary data sources through review of different documents and in depth interviews with key informants, personal observations as well as questionnaire survey were organized and narrated. To be specific, opinions of respondents’ on the questionnaire survey were summed up by frequency counts and then converted into percentages using statistics package for social scientists (SPSS version 20) instrument to provide the understandings of issue under discussion numerically. Indeed, data analysis was presented using tables and figures where necessary. Ultimately, generalizations were made and presented accordingly for the qualitative data by way of narrating and interpreting the situations. Qualitative data has been analyzed quantitatively thematically. Descriptive statistics were used to analyze the data and the analysis has been handled in a way that each issue included in the study is addressed.
CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction
In this part of the paper, the researcher attempts to present the practically observed facts about the impacts that come after the implementation of institutional reform on organizational culture in Federal Transport Authority of Ethiopia with data collected from employees and management by using tools mentioned in the methodology part of chapter three. In this chapter the data collected through questionnaire, interview, and from documents are submitted for presentation and analysis. For this purpose, the researcher distributed questionnaires to 90 employees out of which 75 employees which are 83.3% of the questionnaires were filled and returned to the researcher for analysis.

4.1.1 Analyzing the General Information about the Respondents

*Table 4.1: Background Information of Employees*

<table>
<thead>
<tr>
<th>No.</th>
<th>General Background</th>
<th>Specific Characteristics</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sex</td>
<td>Male</td>
<td>37</td>
<td>49.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>38</td>
<td>50.7</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>From 18 to 25</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>From 26 to 40</td>
<td>37</td>
<td>49.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>From 41 to 55</td>
<td>16</td>
<td>21.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 55</td>
<td>7</td>
<td>9.3</td>
</tr>
<tr>
<td>3</td>
<td>Educational level</td>
<td>High school and below</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Technique school graduate</td>
<td>1</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diploma</td>
<td>23</td>
<td>30.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Degree</td>
<td>46</td>
<td>61.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Masters and above</td>
<td>2</td>
<td>2.7</td>
</tr>
</tbody>
</table>

*Source: Field survey, 2014*
Moreover, the researcher conducted interviews with three individuals to find the truth, with two of departments head and the head/director of the organization. The same data which have been collected through questionnaire; interview and documents are presented and analyzed in tabular and graphic forms in this chapter.

Table 4.1 below summarizes the respondents’ Sex, Age, and Educational level, which might give the researcher evidence about employees’ general information to find a hint about their standing on reform and to find gaps or clear needs of them to be filled for the future success of the organization. As can be seen from the Table 4.1 which shows the demographic information of the respondents, out of 75 respondents, 37 (49.3 percent) are males while the rest 38 (50.7 percent) are females. This shows fortunately that the respondents are fairly distributed in terms of sex. When we calculate the age group of the respondents 15 (20 percent) are 18-25 years, 37 (49.3 percent) are 26-40 years, 16 (21.3 percent) 41-55 years, and the remaining 7 (9.3) are above 55 years. The results regarding the age groups demonstrate that the majority of the employees are at matured age whose responses can be accepted.

When we see their educational background, out of the entire 75 respondents, three (4 percent) are High school and below, one (1.3 percent) respondent is Technique school graduate, twenty three (30.7%) are diploma holders, forty six (61.9 percent) are degree holders and the rest two (2.7 percent) are masters and above. Educationally there is no as such great shortage of professionals as of most are degree holders 61.3% (46) and when we include the remaining 30.7% (23) diploma owners totally 92% (69) out of 75 respondents are above diploma level.

Generally, from this first part or background information we can generalize, that the majority of the respondents (69.3%) are below the age of 41 years, most employees (61.3%) are degree holders and when we see the work experience 14% are new comers and 61.3% are above 5 years as well as the sex of respondents are almost equal in both categories.
The Figure 4.1 above gives information concerning the number of years an employee has been serving in the institutions concerned. Hence, the work experiences of the respondents, out of 75 respondents fourteen (18.7 percent) are less than 1 year, eight (10.7 percent) are of 1 to 2 years, seven (9.3 percent) are of 3 to 5 and the remaining forty six (61.3 percent) are above 5 year. As we see from the Figure above the majority of the respondents have a service for more than five years.

As it can be seen in Table 4.2 below, for the question „how do you rate top executive initiatives for institutional reform?,” out of 75 respondents, 5 (6.7%) rate it as excellent, 21 (28%) rate it as good, 15 (20%) rate it as fair, 25 (33.3%) rate is as poor and the remaining 9 (12%) did not answer it by choosing no answer. The majority are not interested in the top executive’s initiatives for institutional reform.

In this organization according to the research result, the top executive’s initiative for institutional reform is weak. The individual orientation of key leaders in the organization does have a significant impact in determining the dominant organizational culture, regardless of what it should be (Handy, 1993: 199).

Similarly, the attention given for changing the organizational culture during reform was insufficient as it is responded as yes by 17 (22.7%), no by 25 (33.3%) and not sure by 33
(44%) respondents. Thus, a large number of the respondents 58 (77.3%), don’t agree to the attention given for changing organizational culture.

4.1.2 Attention given to Organizational Culture during Institutional Reform

Table 4.2 Top Executive’s Initiatives for Institutional Reform

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alternatives given</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do you rate top executives initiatives</td>
<td>Excellent</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td>For institutional reform?</td>
<td>Good</td>
<td>21</td>
<td>28.0</td>
</tr>
<tr>
<td></td>
<td>Fair</td>
<td>15</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>25</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>No answer</td>
<td>9</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>total</td>
<td>75</td>
<td>100.0</td>
</tr>
</tbody>
</table>

| Did institutional reform implemented in transport authority have given a focused attention on changing the organizational culture? | Yes | 17 | 22.7 |
| Did institutional reform implemented in transport authority have given a focused attention on changing the organizational culture? | No  | 25 | 33.3 |
| Did institutional reform implemented in transport authority have given a focused attention on changing the organizational culture? | Not sure | 33 | 44.0 |
| Did institutional reform implemented in transport authority have given a focused attention on changing the organizational culture? | Total | 75 | 100.0 |

| During reform the organization has given great attention for changing Organizational culture | Strongly agree | 6 | 8.0 |
| During reform the organization has given great attention for changing Organizational culture | Agree         | 19 | 25.3 |
| During reform the organization has given great attention for changing Organizational culture | Neither agree nor disagree | 11 | 14.7 |
| During reform the organization has given great attention for changing Organizational culture | Disagree      | 33 | 44.0 |
| During reform the organization has given great attention for changing Organizational culture | Strongly disagree | 6 | 8.0 |
| During reform the organization has given great attention for changing Organizational culture | Total         | 75 | 100.0 |

Source: Field survey, 2014

On the other hand, the same question was asked if during reform the organization has given great attention for changing organizational culture by using likert scale for cross check, and out of 75 respondents 6 (8%) strongly agreed, 19 (25.3%) agreed, 11 (14.7%) neither agree nor disagreed, 33(44%) disagreed and 6 (8%) strongly disagreed. This shows that most respondents agreed that sufficient attention was not given for changing the culture of the
organization. Even if, organizational culture is a major key determinant of employee’s efficiency and effectiveness in performing jobs enough attention was not given in the organization. In addition, the research finding is also supported by different scholars as Tichy (1982), said organizational culture is known as “normative glue” meaning to hold the overall organization together, Similarly, Hellriegel et al (2001) also add that organizational culture has the potential to enhance organizational performance, individual satisfaction, problems solving, and so on.

4.2 The impacts of institutional reform on organizational culture

From the Table 4.3 below we can see that employees understanding about the impact of institutional reform on organizational culture out of 75 respondents 33(44%) said yes, 16 (21.3%) said no, 10 (13.3%) said sometimes, 16 (21.3%) said No answer. From this we can see the employees are aware of the impact of institutional reform on the organizational culture. For the question organization has developed collective thinking, common values, and beliefs in employees out of 75 respondents 14 (18.7%) said yes, 30 (40%) said no, 24 (32%) said sometimes and the rest 7 (9.3%) said no answer.

Table 4.3 Impact of Reform on Organizational Culture

<table>
<thead>
<tr>
<th>Question or variables</th>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you think the institutional reform have impact on organizational culture?</td>
<td>Yes</td>
<td>33</td>
<td>44.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>16</td>
<td>21.3</td>
</tr>
<tr>
<td></td>
<td>sometimes</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>No answer</td>
<td>16</td>
<td>21.3</td>
</tr>
<tr>
<td>The organization has developed collective thinking, common values, beliefs in employees</td>
<td>Yes</td>
<td>14</td>
<td>18.7</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>30</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>sometimes</td>
<td>24</td>
<td>32.0</td>
</tr>
<tr>
<td></td>
<td>No answer</td>
<td>7</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Source: Field survey, 2014
Thus according to Table 4.3, even though the respondents said reforms have impact on organizational culture, the collective thinking, common values, beliefs in employees are not developed in the organization. But according to Hofstede (1980), culture is the collective thinking of minds which create a difference between the members of one group from another. Moreover, as Schein (1990), defines culture is set of different values and behaviors that may be consider guiding to success. This assures that it needs to build a healthy and robust organizational culture may provide an efficient employee performance; team cohesiveness; high employee morale, and strong organizational alignment towards goal achievement for future success of the organization.

As it is seen in the Table 4.4 below, the majority 43 (57.3%) of the respondents disagree to the existence of values and beliefs that help in the success in the organization. The remaining 12 (16%) neither agree nor disagree, 11 (14.7%) agree, 7 (9.3%) strongly disagree, and 2 (2.7%) strongly agree. This shows that the organization culture is very weak still as scholars said, culture means fairly established set of beliefs, behaviors and values of society contain generally (Kotter and Heskett, 1992). Moreover, when we calculate about of the development of good governance and accountability after reform in the organization, the majority 40 (53.3%) of the respondent agreed, 14 (18.7%) neither agree nor disagree, 13 (17.3%) disagree, 6 (8%) strongly disagree and 2 (2.7%) strongly agree.

Table 4.4 Good Governance and Accountability

<table>
<thead>
<tr>
<th>Item of perception</th>
<th>Lickert’s rating scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
</tr>
<tr>
<td></td>
<td>No. (%)</td>
</tr>
<tr>
<td>The existence of values and beliefs that helps for success</td>
<td>2 (2.7)</td>
</tr>
<tr>
<td>Good governance and accountability developed after reform</td>
<td>2 (2.7)</td>
</tr>
</tbody>
</table>

Source: Field survey, 2014
**Table 4.5 Objective of Institutional Reform**

<table>
<thead>
<tr>
<th>Variables or questions</th>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee and management understanding about reform</td>
<td>high</td>
<td>7</td>
<td>9.3</td>
</tr>
<tr>
<td></td>
<td>medium</td>
<td>28</td>
<td>37.3</td>
</tr>
<tr>
<td></td>
<td>low</td>
<td>18</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>I do not know</td>
<td>22</td>
<td>29.3</td>
</tr>
<tr>
<td>BPR as good reform instrument</td>
<td>yes</td>
<td>48</td>
<td>64.0</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>cannot say</td>
<td>17</td>
<td>22.7</td>
</tr>
<tr>
<td>BPR lead to efficiency and effectiveness</td>
<td>yes</td>
<td>29</td>
<td>38.6</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>18</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>cannot say</td>
<td>28</td>
<td>37.3</td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2014

From Table 4.5 above the employee and management understanding about reform is not enough. Similarly, the management tool BPR was responded as good instrument because out of 75 respondent 48 (64%) said yes, 10 (13.3%) said no, and 17 (22.7%) didn’t say anything. Similarly for the question, „Does BPR lead to efficiency and effectiveness” they responded as yes 29 (38.6%), cannot say 28 (37.3%), and the rest 18 (24.0%) said no. This implies that most employees accept the management tool (BPR) as good instrument that leads to efficiency and effectiveness of the organization.
Figure 4.2 Existence of Good Understanding about Reform Objectives

![Bar Chart]

Source: Own field survey 2014

Figure 4.2 above reveals that the employees understanding level about reform objective is not enough as (34) 45.3% of the respondents replied to some extent, (10) 13.3% replied no, (4) 5.3% replied no answer and (27) 36% replied yes. From this we can see that the understanding level of respondents about reform is not sufficient in the organization.
4.3 Institutional Reform Objective and Organizational Culture

Figure 4.3 The Achievement of the Intended Objectives of Institutional Reform

Source: Own field survey 2014

Figure 4.3 above indicates that the intended objectives of the reform was not achieved according to the respondent responses of 4 (5.3%) yes, 36 (48%) no, 26 (34.7%) sometimes, and 9 (12%) no answer. From this we can say the intended objectives of the reform were not achieved as expected in the organization according to the employee perception.

As can be seen from Table 4.6 in case of competitive environment and provision of quality services out of 75 respondents or employees the majority 38 (50.7%) are disagree, 7 (9.3%) strongly disagree, 15 (20%) neither agree nor disagree, 12 (16%) agree, and only 3 (4%) strongly agree. From this we can see that the employees themselves are not interested by the services they are giving to customers of the organization. On the other hand the reform was not implemented by addressing the changing expectation of citizens, because out of 75 respondents 36 (48%) disagree, 15 (20%) neither agree nor disagree, 10 (13.3%) agree, 5 (6.7%) strongly agree, and 9 (12%) strongly disagree (see Table 4.6 below).
After the implementation of institutional reform in the organization the effort to accomplish tasks was not improved and the organization culture was not supportive to achieve the intended goals of the organization. Even though the building structure conveys cultural meaning in the organization still strong organizational culture is not created in the organization.

**Table 4.6 Analyzing the Existence of Strong Organizational Culture**

<table>
<thead>
<tr>
<th>Item of perception</th>
<th>lickert’s rating scale</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Competition and quality service</td>
<td>No. (%)</td>
<td>No. (%)</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>4.0</td>
</tr>
<tr>
<td>Addressing the changing expectation of citizens</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td>After reform time and effort to finish tasks reduced</td>
<td>3</td>
<td>4.0</td>
</tr>
<tr>
<td>Strong organizational culture created</td>
<td>2</td>
<td>2.7</td>
</tr>
<tr>
<td>Building structure conveys cultural meaning</td>
<td>6</td>
<td>8.0</td>
</tr>
</tbody>
</table>

*Source: Field survey, 2014*
As can be seen from Figure 4.4 above strong organizational culture was not created because from 75 respondents 34 (45.3%) disagree, 10 (13.3%) strongly disagree, 17 (22.7%) neither agree nor disagree, only 12 (16%) agree, and 2 (2.7%) strongly agree with the existence of strong organizational culture. From this we can know the reform that was implemented in the organization did not have impact to changing the culture of the organization as expected by the reform goals. Similarly, the service is still given based on the old culture of the organization without quality and competition.

Moreover Figure 4.5 below shows that supportive organizational culture to achieve goals was not created as of a total of 45 (60%) employee perceive; i.e. 34 (45.3%) strongly disagree, and 11 (14.7%) disagree.
Figure 4.5 The Existence of Supportive Organizational Culture to Achieve Goals

Source: Field survey, 2014

As we have seen in the literature part of this thesis the organizational culture has a great role in achieving the goals of the organization by creating team spirit in the organization. Therefore, it becomes very difficult to achieve the intended objective without the existence of supportive organizational culture within the organization. This is because during reform attention given to change the culture of the organization is very low.

As Table 4.7 below depicts, the majority of the respondents (53.3%) agreed that skilled and ethical civil servants exist in the organization, and the rest of the respondents replied as 10.7% strongly agree, 13.3% neither agree nor disagree, and 6.7% strongly disagree. This implies that, most employees in the organization have skill to perform their tasks and as well as ethically good even though there are about 23% are respond differently by saying there is no skilled and ethical employee in the organization.
4.4 Employees Attitude and Awareness Level about Institutional Reform

Table 4.7 Employees Attitude and Awareness Level

<table>
<thead>
<tr>
<th>variables</th>
<th>Alternatives given</th>
<th>frequency</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled and ethical civil servant existence</td>
<td>Strongly agree</td>
<td>8</td>
<td>10.7</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>40</td>
<td>53.3</td>
</tr>
<tr>
<td></td>
<td>Neither agree nor disagree</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>12</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td>total</td>
<td></td>
<td>75</td>
<td>100.0</td>
</tr>
</tbody>
</table>

| Employee attitude towards reform | in favor of change | 28         | 37.3       |
|                                  | anti change        | 6          | 8.0        |
|                                  | indifferent         | 14         | 18.7       |
|                                  | no answer           | 27         | 36.0       |
| Total                            |                    | 75         | 100.0      |

| Employees resistance to change   | yes                | 7          | 9.3        |
|                                  | no                 | 33         | 44.0       |
|                                  | not sure           | 29         | 38.7       |
|                                  | no answer          | 6          | 8.0        |
| Total                            |                    | 75         | 100.0      |

Source: Field survey, 2014

On the other hand, the level of employees and management understanding about reform is medium as that the majority 37.3% responded. To present all result of the survey, the rest replied the employees and managements understanding of reform is high 9.3%, low 24%, and don’t know 29.3%. From these we can say that improving the level of understanding about the reform is essential for the employees so that they can participate by knowing its importance in achieving the intended goals of the reform in the organization.

Moreover, from the same Table 4.7 above when we look at the employee attitude towards reform the response is 37.3% in favor of change, 8% anti change, 18.7% indifferent, and 36% no answer. Even though the majority of 37.3% responded as they are infavoure of change, almost equal 36% said no answer or not interested to respond whether they are infavoure of or against change. But for cross checking the issue of whether employees are...
resistant to change or not almost similar question is asked. The result shows that the majority of 44% saying no, and the rest 9.3% yes, 38.7% not sure, and 8% no answer about employees resistant to change. These two responses clearly show that the majority of the employees are infavoure of change.

4.5 Working Environment and Work Relationship after Reform

Table 4.8 Working Environment and Work Relationship

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alternatives given</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship between working groups for competing</td>
<td>yes</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>20</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>to some extent</td>
<td>26</td>
<td>34.7</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>19</td>
<td>25.3</td>
</tr>
<tr>
<td>Reform improve working environment</td>
<td>yes</td>
<td>25</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>do not know</td>
<td>25</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>15</td>
<td>20.0</td>
</tr>
<tr>
<td>Participation on meetings with boss</td>
<td>yes</td>
<td>28</td>
<td>37.3</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>6</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>sometimes</td>
<td>31</td>
<td>41.3</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td>Bases of promotion</td>
<td>seniority</td>
<td>52</td>
<td>69.3</td>
</tr>
<tr>
<td></td>
<td>merit or performance</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>favoritism</td>
<td>12</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>nepotism</td>
<td>1</td>
<td>1.3</td>
</tr>
<tr>
<td>Team spirit in the organization</td>
<td>excellent</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>good</td>
<td>17</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>fair</td>
<td>27</td>
<td>36.0</td>
</tr>
<tr>
<td></td>
<td>poor</td>
<td>17</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>9</td>
<td>12.0</td>
</tr>
</tbody>
</table>

*Source:* Field survey, 2014
As can be observed from the Table 4.8 above, majority (34.7%) of the respondents believe that relationship between working groups and the existence of competitive environment is not enough. The rest also responded as 13.3% yes, 26.7% no, and 25.3% not want to respond. This shows it needs to work on improving the relationship between working groups for creating competitive environment in the organization. This is because a healthy competition among employees is one of the results of a shared organizational culture. In the same Table 4.8, the majority 33.3% believe that the reform improves working environment, but the same 33.3% do not know whether it improves or not and the rest 13.3% said no, and 20% said no answer.

When we see the participation of employees on meetings with boss the majority 41.3% is participating sometime and 37.3% are said yes we are participating. The rest 8% do not participate and 13.3% said no answer. This reveals that in the organization there are no problems in participating employees in meetings with bosses. In addition, in the organization the criteria of promotion are seniority based on the response of the majority 69.3% of the respondents. However, 13.3% of respondents replied merit or performance, 16% favoritism and 1.3% nepotism.

Majority of the respondents believe that the team spirit rate in the organization is fair (36%) and good (22.7%). Others respond as the team spirit in the organization is 6.7% excellent, poor 22.7%, and 12% no answer. Team spirit is very important for having a shared culture at the workplace that gives them a sense of unity and understanding towards one another, promoting better communication and less conflict.
Table 4.9 Communication and Feedback

<table>
<thead>
<tr>
<th>Item of perception</th>
<th>lickert’s rating scale</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neither agree nor disagree</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td>No. (%)</td>
<td>No. (%)</td>
<td>No. (%)</td>
<td>No. (%)</td>
<td>No. (%)</td>
</tr>
<tr>
<td>Good communication with seniors</td>
<td>10 (13.3%)</td>
<td>42 (56.0%)</td>
<td>8 (10.7%)</td>
<td>10 (13.3%)</td>
<td>5 (6.7%)</td>
</tr>
<tr>
<td>Feedback about performance will be given on time</td>
<td>2 (2.7%)</td>
<td>37 (49.3%)</td>
<td>12 (16.0%)</td>
<td>16 (21.3%)</td>
<td>8 (10.7%)</td>
</tr>
<tr>
<td>Importance of my job for accomplishing mission</td>
<td>15 (20.0%)</td>
<td>53 (70.7%)</td>
<td>4 (5.3%)</td>
<td>1 (1.3%)</td>
<td>2 (2.7%)</td>
</tr>
<tr>
<td>Working environment balance work and personal life</td>
<td>3 (4.0%)</td>
<td>10 (13.3%)</td>
<td>12 (16.0%)</td>
<td>15 (20.0%)</td>
<td>35 (46.7%)</td>
</tr>
</tbody>
</table>

Source: Field survey, 2014

According to Table 4.9 above, 56 percent of the respondents agree that there is good communication with seniors in the organization and the rest respond as 13.3% strongly agree, 10.7% neither agree nor disagree, 13.3% disagree, and 6.7% strongly disagree. From this we can see that there is good communication in the organization with seniors. This might help to change the culture of the organization if is managed properly with higher officials of the organization. Similarly, feedback about performance is given on time as majority 49.3% respondents agreed to it. The remaining 12 (16 percent) neither agree nor disagree, 16 (21.3 percent) disagree, 8 (10.7 percent) strongly disagree, and 2 (2.7 percent) strongly agree. This shows that the employees are getting feedback on their performance on time.
When we calculate the responses concerning the importance of each employee’s job for accomplishing the mission of the organization the majority 53 (70.7 percent) agreed that it is important. The rest respond as disagree 1 (1.3%), strongly disagree 2 (2.7%), strongly agree 15 (20%), and neither agree nor disagree 4 (5.7%). Regarding the statement “the working environment balance work and personal life” more than half (66.7%) disagree/strongly disagree, 16% have no opinion, and the remaining 17.3% disagree/strongly disagree.

As it is seen in the Table 4.10 below, the majority 46 (61.3 percent) of the respondents are disagree/strongly disagree or no happy to work in the organization for the rest of lives, the remaining 16 (21.4 percent) happy to work in the organization for the rest of time and 13 (17.3 percent) neither agree nor disagree. From this we can say the respondents (employees) are not interested to stay and work in the organization for the rest of their lives. Similarly, when we see the responses obtained for the perception “I will enjoy to discuss about my organization with others” out of 75 respondents the majority 53 (70.6%) strongly disagree/disagree, 8 (10.7%) neither agree nor disagree, and the rest 14 (18.7%) agree/strongly agree. This also shows that most employees of the organization are not interested to discuss outside about their organization with others. This information clearly depict that strong organizational culture is not created even after the implementation of reform in the organization.

In addition, a shared organizational culture promotes equality by ensuring no employee is neglected at the workplace and that all are treated equally. Organizational culture helps to keep employees motivated and loyal to the management of the organization. If employees view themselves as part of their organization’s culture, they are more eager to want to contribute to the entity's success.
<table>
<thead>
<tr>
<th>Item of perception</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. (%)</td>
<td>No. (%)</td>
<td>No. (%)</td>
<td>No. (%)</td>
<td>No. (%)</td>
</tr>
<tr>
<td>Happy to work in the organization for the rest of life</td>
<td>5 6.7</td>
<td>11 14.7</td>
<td>13 17.3</td>
<td>10 13.3</td>
<td>36 48.0</td>
</tr>
<tr>
<td>I will enjoy to discuss about my organization with others</td>
<td>5 6.7</td>
<td>9 12.0</td>
<td>8 10.7</td>
<td>13 17.3</td>
<td>40 53.3</td>
</tr>
<tr>
<td>Better language are used to address customers</td>
<td>1 1.3</td>
<td>18 24.0</td>
<td>16 21.3</td>
<td>31 41.3</td>
<td>9 12.0</td>
</tr>
<tr>
<td>Employees work hard even at weekend and homework</td>
<td>1 1.3</td>
<td>18 24.0</td>
<td>8 10.7</td>
<td>11 14.7</td>
<td>37 49.3</td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2014

Moreover, from Table 4.10 above when we calculate whether „Better language are used to address customers in the organization” the number of respondents who either disagree/strongly disagree is 40 (53.3%), agree/strongly agree is 19 (25.3%) and neither agree nor disagree is 16 (21.3%) of the total respondents. This describes that the employees by themselves are not happy with the approaches and service they are providing to customers in the organization.

On the other hand, 48 (64%) disagree/ strongly disagree with statement „Employees work hard even at weekend and homework”, 19 (25.3%) agree/strongly agree, and 8 (10.7%) have no opinion. This reveals that due to weak culture in the organization employees are not committed to work hard for the achievements of organizational goals.
From Table 4.11 below we see the employees do not have full freedom to make decision because from the alternatives given respondents 28 (37.3%) said some times, 17 (22.7%) said yes, 20 (26.7%) said no, and 10 (13.3%) replied no answer. But an idea of culture can be learned and shared in the organizations and that cultures of the organization based on cognitive systems which help to explain how employees think and make decision (Pettigrew, 1979). Since the organizational culture is not developed well employees ability to make decision is not developed as research result depicts. Good organizational culture is important because it shapes what the organization considers to be “right decisions”, what employees consider to be appropriate behavior and how they interact with each other within the
organization, how individuals work in groups and the organization as a whole deal with work assigned to them, the speed and efficiency with which things get done, the organizations capacity for and receptiveness to change.

**Table 4.11 Freedom to Solve Problems and Make Decision**

<table>
<thead>
<tr>
<th>Variables or questions</th>
<th>Alternatives given</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom of decision making</td>
<td>yes</td>
<td>17</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>20</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>some times</td>
<td>28</td>
<td>37.3</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>75</td>
<td>100.0</td>
</tr>
<tr>
<td>Citizens participation in organization culture</td>
<td>strongly disagree</td>
<td>4</td>
<td>5.3</td>
</tr>
<tr>
<td></td>
<td>disagree</td>
<td>40</td>
<td>53.3</td>
</tr>
<tr>
<td></td>
<td>neither agree nor disagree</td>
<td>17</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>agree</td>
<td>12</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>strongly agree</td>
<td>2</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>75</td>
<td>100.0</td>
</tr>
<tr>
<td>Opportunity to participate on goal setting</td>
<td>strongly disagree</td>
<td>8</td>
<td>10.7</td>
</tr>
<tr>
<td></td>
<td>disagree</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>neither agree nor disagree</td>
<td>34</td>
<td>45.3</td>
</tr>
<tr>
<td></td>
<td>agree</td>
<td>22</td>
<td>29.3</td>
</tr>
<tr>
<td></td>
<td>strongly agree</td>
<td>6</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>75</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source:* Field survey, 2014
In case of citizens participation in organization culture, out of 75 respondents 44 (58.6%) strongly disagree/disagree, 14 (18.7%) strongly agree/agree, and 17 (22.7%) neither agree nor disagree. This indicates that the organization is poor in participating citizens, and in the issue of shaping the organizational culture for better performance. In addition, on the opportunity to participate on goal setting in the organization the majority 34 (45.3%) are neither agree nor disagree. The rest 13 (17.4%) strongly disagree/disagree, 28 (37.3%) strongly agree/agree. In general these two results depict that there is no good participation of the stockholders in the organization.

**Figure 4.7 Social Relationship Between Employees**

![Diagram](image)

**Source:** Field survey, 2014

Figure 4.8 above indicates that the Social relationship between employees is not good. Similarly, during the delivery of service to the customers of the organization, the majority of my respondents (53%) not agree to the existence of better language and approaches. This was clearly observed by the researcher while he was collecting data. Furthermore, the greetings and helping each other is not good in the organization as of 75 respondents 37 (59.3%) is respond as strongly disagree/disagree, 28 (37.3%) as strongly agree/agree and only 10 (13.3%) as neither agree nor disagree.
From the Table 4.12 below we can observe that there is no a trend of rewarding in the organization as of 75 respondents 34 (45.3%) said no, 1 (1.3%) yes, 10 (13.3%) said sometimes, and 30 (40%) said no answer. In case of Human resources development after reform 25 (33.3%) respondents are not sure. The remaining also said yes 16 (21.3), no 18 (24%), and 16 (21.3) said no answer.

**Table 4.12 Human Resources Development**

<table>
<thead>
<tr>
<th>variables</th>
<th>Alternatives given</th>
<th>frequency</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend of rewarding</td>
<td>yes</td>
<td>1</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>34</td>
<td>45.3</td>
</tr>
<tr>
<td></td>
<td>sometimes</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>30</td>
<td>40.0</td>
</tr>
<tr>
<td>Human resources development after reform</td>
<td>yes</td>
<td>16</td>
<td>21.3</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>18</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>not sure</td>
<td>25</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>no answer</td>
<td>16</td>
<td>21.3</td>
</tr>
<tr>
<td>Equal benefit package with other</td>
<td>strongly disagree</td>
<td>24</td>
<td>32.0</td>
</tr>
<tr>
<td></td>
<td>disagree</td>
<td>12</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>neither agree nor disagree</td>
<td>7</td>
<td>9.3</td>
</tr>
<tr>
<td></td>
<td>agree</td>
<td>31</td>
<td>41.3</td>
</tr>
<tr>
<td></td>
<td>strongly agree</td>
<td>1</td>
<td>1.3</td>
</tr>
<tr>
<td>Rewarding with performance measurement (BSC)</td>
<td>strongly disagree</td>
<td>9</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>disagree</td>
<td>40</td>
<td>53.3</td>
</tr>
<tr>
<td></td>
<td>neither agree nor disagree</td>
<td>19</td>
<td>25.3</td>
</tr>
<tr>
<td></td>
<td>agree</td>
<td>6</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>strongly agree</td>
<td>1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2014

Moreover, the benefit package of employees are no similar to other organization as the majority 36 (48%) strongly disagree/disagree for the existence of equal benefit package with other organization. Others 7(9.3%) have no opinion, 32 (42.6%) strongly agree/agree (Table
This shows that even though there are organizations that give higher benefit package, there are many organizations that have similar or equal benefit package with the organization. On the other hand, Jim Grieves (2000) strongly supported that organizational development can promote humanistic values. Deal and Kennedy (1982), advocated that organization development should be combined with organizational culture effectively, in order to make people work efficiently.

When we examine Table 4.13 below for the perception „Training will be given to perform tasks” in the organization, 38 (50.6%) strongly disagree/disagree, 17 (22.7%) neither agree nor disagree, and 20 (26.7%) strongly agree/agree. This shows that there is gap in the provision of training for the employees in the organization.

**Table 4.13 Capacity Building and Performance**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alternatives given</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training is given to perform tasks</td>
<td>Strongly disagree</td>
<td>7</td>
<td>9.3</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>31</td>
<td>41.3</td>
</tr>
<tr>
<td></td>
<td>Neither agree nor Disagree</td>
<td>17</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>15</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>5</td>
<td>6.7</td>
</tr>
<tr>
<td>Best performance is valued for promotion and reward</td>
<td>Strongly disagree</td>
<td>35</td>
<td>46.7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>9</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>Neither agree nor Disagree</td>
<td>14</td>
<td>18.7</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>13</td>
<td>17.3</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>4</td>
<td>5.3</td>
</tr>
<tr>
<td>Stories and legends makes for promotion and reward</td>
<td>Strongly disagree</td>
<td>10</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>37</td>
<td>49.3</td>
</tr>
<tr>
<td></td>
<td>Neither agree nor Disagree</td>
<td>9</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>16</td>
<td>21.3</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>3</td>
<td>4.0</td>
</tr>
</tbody>
</table>

*Source: Field survey, 2014*
Besides, best performance cannot be valued for promotion and reward in the organization as we see from the Table 4.13. The result shows the majority 44 (58.7%) strongly disagree/disagree for the reality that best performance can be valued for promotion and reward in the organization. Moreover, stories and legends are not considered for promotion and reward in the organization as of 75 respondents 62.6% strongly disagree/disagree for the perception „Stories and legends takes for promotion and reward”. Organizational culture is playing an indirect role in influencing behavior by using reasonable managerial tools, such as strategic direction, goals, tasks, technology, structure, communication, decision making, cooperation and interpersonal relationships, and so forth, which are all designed to do things (Martins & Terblanche, 2003).

To come together with additional information about the impacts of institutional reform on the organizational culture in Federal Transport Authority an interview questionnaire was forwarded to three individuals who work as departments’ directors and head of the organization. All of the interviewees” reactions to the questions are summarized in brief as below:

- **Main challenges during institutional reform implementation and result on working environment improvement:** In Transport Authority when the reform was implemented there were many challenges; few of them are: lack of attention for changing the culture of the organization, shortage of skilled and ethical workers, shortage of resources, customers interest was not given sufficient attention in service delivery improvement, lack of initiative and commitment among the civil servants and practice of neglecting the customers’ needs, the existence of unfavorable conditions of work, human resource development was not given due consideration.

- **The impacts of institutional reform have on changing the organizational culture:** Even though actually institutional reform has impacts on changing the culture of the organization towards effective and efficient accomplishment of goals in Transport Authority the expectation and the reality are quite different. The expected change does not come because sufficient attention was not given for changing the culture of the organization. The reform was not supported by successive benefit packages and training that will improve the working environment. Some changes are visible after reform for instance, on time service delivery, good governance, promotion on merit and seniority …etc. If attention is
given to human element and organizational culture change the opportunity to get the expected change will be possible in the organization.

- Does the institutional reform in your organization have achieved its objectives of changing organizational culture? How? The objectives of the reform were achieved to the some extent in few areas (service time) even though it is not as expected. Mainly time that was taking to serve customer is decreased highly. But the objective regarding changing the culture of the organization it has not achieved. The attitudes of employees are not changed.

- How do you evaluate the awareness level and attitude of the employees and the management of transport authority towards institutional reform? The awareness level of employees and management about reform is medium. Very few have good understanding about institutional reform, most employees have moderate knowledge about it and few have distorted understanding about reform. When we see the attitude of employees they are in need of change or transformation but they are disgruntled with the low salary and benefit package in the organization.

- Did your organization give attention to changing the organizational culture when reform was carried out for employees’ performance and goal achievement? First of all, the definition and importance of organization culture was not clear at the beginning. During reform great attention was given for minimizing service delivery time and improving the quality of the service, restructuring, radical change on the structure as well as downsizing according to the structure of the organization. Even though, giving attention to human development and changing the culture of the organization was the elements of the packages of the institutional reform, it was not accomplished accordingly.
CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Based on the data analyzed and presented in chapter three of the study, the following findings, conclusions and recommendations are made.

5.1 Findings

The main objective of this research is to assess the impacts of institutional reform on organizational culture in Federal Transport Authority by reviewing the awareness level and attitude of the employees to explore the human element change and challenges in institutional reform implementation. In addition by evaluating the attention given for changing the organizational culture during reform in the organization, and to assess the performance of the organization regarding with the anticipated objectives of institutional reform is another point of discussion.

So as to solve research problem and answer the basic research questions appropriate data collection method were employed. The main data collection tools used in this research was questionnaires, interview and document analysis. Questionnaire was prepared for employee of the organization and interview was carried out in two directors and the department heads of the organization. The data analyzed using SPSS version 20 for graphs, percentage and tables. On the bases of the assessment, the following findings are noted based on the above data sources. The major findings are listed as below:

5.1.1 Regarding the background information of the respondents, they are fairly distributed in terms of sex, most respondents are at working age (69.3% are below the age of 41), the majority of the respondents have a service experience of more than five years and educationally about 92% (61.3% degree and 30.7% diploma) of the respondents are above diploma level.

5.1.2 One of the major challenges of institutional reform implementation in the organization is a weak support and attention of top management for changing the organization culture. The individual orientations of key leaders in the organization have a significant impact in determining the dominant organizational culture, regardless of what it should be (Handy, 1993: 199). Most respondents agree that sufficient attention is not given for changing the culture of the organization by the
attention given by top executives for changing organizational culture. 58 (77.3%) are not agree to this.

5.1.3 Even though the respondents said that reform has impact on organizational culture but the collective thinking, common values, beliefs in employees are not developed. The majority 43 (57.3%) of the respondents disagree about the existence of values and beliefs that help success in the organization which indicates strong organizational culture is not created still after reform.

5.1.4 The majority of the respondents say that there is existence of good governance and accountability in the organization even though some respondents responded differently.

5.1.5 The research result reveals that the employees understanding level about reform objective is not enough, on the other hand, most employees are in the way to accept the management tool (BPR) as good instrument that leads to efficiency and effectiveness in the organization.

5.1.6 The understanding level of respondents about reform is not sufficient and because of it the intended objective of the reform is not achieved as expected.

5.1.7 In case of competitive environment and provision of quality services out of 75 respondents or employees the majority 38 (50.7%) disagree, From this we can see that the employees themselves are not interested in the services they are giving to customers of the organization.

5.1.8 Moreover, the reform is not implemented by addressing the changing expectation of citizens, as out of 75 respondents 36 (48%) disagree.

5.1.9 The organization culture is not supportive to achieve the intended goals of the organization even after the implementation of institutional reform in the organization. Even though the building structure conveys cultural meaning in the organization still strong organizational culture is not created in the organization

5.1.10 The reform that was implemented in the organization did not change the culture of the organization as expected by the reform initial objectives and goals. The majority of the respondents strongly disagree to the existence of supportive organizational culture to achieve goals of the organization.

5.1.11 Most employees in the organization have skill to perform their tasks and are ethically good even though there are about 23% are respond differently

5.1.12 The majority of the employees are infavour of change if it comes in the organization.
5.1.13 The majority (34.7%) of the respondents believes that relationship between working groups and the existence of competitive environment is not enough. Also 56 percent of the respondents agree that there is good communication with seniors in the organization which might used as base for changing the culture of the organization if it is managed properly with top executives. In addition, 33.3% of respondents believe that the institutional reform can improve working environment.

5.1.14 Most respondents agree that their job is important for accomplishing the mission of the organization (majority 70.7%).

5.1.15 More than half (66.7%) disagree/strongly disagree to existence of good working environment and personal life balance in the organization.

5.1.16 The majority 46 (61.3 percent) of the respondents are not happy to work in the organization for the rest of time. Similarly, when we see the responses obtained for the perception „I will enjoy to discuss about my organization with others“ out of 75 respondents the majority 53 (70.6%) are strongly disagree/disagree, This also shows that most employees of the organization are not interested to discuss outside about their organization with others. This information’s also clearly depicts that strong organizational culture is not created even after the implementation of reform in the organization.

5.1.17 The employees by themselves are not happy with the approaches and services they are providing to the customers of the organization. Moreover, 53.3% of the respondents didn’t agree to the statement „Better language is used to address customers in the organization“. Furthermore, the greetings and helping each other is not good in the organization as of 59.3% are responded.

5.1.18 On the other hand, 48 (64%) disagree/ strongly disagree to statement „Employees work hard even at weekend and homework“, 19 (25.3%) argue they agree/strongly agree, and 8 (10.7%) have no opinion. This reveals that due to weak culture in the organization employees are not committed to work hard for the achievement of organizational goals.

5.1.19 Most respondents do not agree to the existence good relationship among themselves and the greetings, helping each other, and generally the social relationship is poor in the organization.
5.1.20 Employees did not have full freedom to make decision and the organization is poor in employees’ participation in the issues shaping the organizational culture for better performance. There is no good participation of the stalk holders in the organization.

5.1.21 Most respondents are not sure of human resource development improvement in the Transport Authority after reform. There is lack of provision of training for the employees in the organization as well as best performance, stories, and legends cannot be counted for promotion and reward in the organization.

5.2 Conclusions

From the summary of findings above organizational culture is the core for improving employee’s performance and have an ability to change the working environment conducive for success of the organizational mission by creating shared belief of intelligence to solve problems and make decisions. Each organization has its own culture that guides the success, makes difference from others, and holds them together to facilitate its goals accomplishments. But the institutional reform carried out in Federal Transport Authority does not bring the expected full change in the culture of the organization. The collective thinking, common values, beliefs, team spirit among employees are not developed. This indicates that it is very difficult to achieve the intended objective of reform without creating supportive organizational culture.

From the findings above we can also conclude that strong organizational culture is not developed in FTA due to weak attention of top executives for changing the culture of the organization and there is also weak attention to improve the human aspects of the reform in the organization. That is why the social relationship between employees is poor in the organization and most employees are not interested to stay in the organization for the rest of their time. In addition, there was a problem in achieving the goals of the organization because a shared beliefs, values and collective thinking not developed. Moreover, due to weak team spirit between employees they are not committed to work hard at weekend and using fulltime in the organization to accomplish tasks as well as they are not interested and satisfied by their delivery of services to customers of the organization.

Moreover, employees of the organization do not have sufficient knowledge on reform and culture development. The relationship between working groups for creating a healthy competition among employees with a shared organizational culture is weak. Good organizational culture is important because it shapes; what the organization considers to be “right decisions”, what employees consider to be appropriate behavior and how they interact
with each other within the organization, how individuals, work groups and the organization as a whole deal with work assigned to them, the speed and efficiency with which things get done, the organizations capacity for and receptiveness to change and the attitudes of outside stakeholders to the organization.

Every organization has its own unique culture or value set, and different organizations may have their own comprehension of culture meaning. The culture of the organization is typically created unconsciously, based on the values of the top management or the founders of an organization. In order to achieve a successful culture, managers shouldn’t ignore organizational culture and its themes, because culture can be used as a competitive advantage during organizational development, and a strong culture (one in which beliefs and values are widely shared and strongly held) can also offer many advantages, such as cooperation, control, communication or commitment. Meanwhile, the importance of organizational culture is growing as the result of several recent developments, and the cultural themes can be used constantly to measure the culture of the organization.

An organizational culture is a stable factor that plays a critical role in the organizational day to day operations as well as it is the “personality” of an organization that guides how employees think and act on the job, it is central to the values, beliefs, inter-personal behaviors, and attitudes to stakeholders that determine how the organization does its job. It is a key factor not only in achieving organizational goals, but in attracting and keeping desirable employees, creating a positive public image, and building respectful relationships with stakeholders. If that is so, any reform has to focus on changing the culture of the organization towards the achievement of goals. Any Institutional reforms are initially planned to change the whole activities of the organization by changing the culture of the organization even though it was not given attention in most public institutions.
5.3 Recommendations

Based on the findings and conclusions made above in this study, researcher identifies and proposes the following recommendations to acquire actually a changed organizational culture after institutional reform.

5.3.1 According to the research result the employees understanding level about reform and its objective as well as organizational culture is not enough in the organization. Therefore it needs the provision of training for changing the attitudes towards the goal achievement. Since the majority of the employees are at working age and educationally professionals there is a great opportunity to change the culture of the organization by providing capacity building to the employees of the organization.

5.3.2 One of the major challenges of institutional reform in the organization is weak support and weak attention of top management for institutional reform and changing the culture of the organization. While organizational culture is a major key determinant of employee’s efficiency and effectiveness in performing jobs enough attention was not given in the organization. Therefore the initiatives of the top executive’s for institutional reform and changing the culture must be improved and given attention for cultural change in the organization for better performance and achievement of goals as it is intended because key leaders in the organization do have a significant impact in determining the dominant organizational culture, regardless of what it should be (Handy, 1993: 199).

5.3.3 Collective thinking of minds which create a difference between the members of one organization from another which is "strong culture" is not developed in the organization. Organizational culture is crucial to hold the overall organization together and add the potential to enhance organizational performance and team spirit among employees for their satisfaction and decision making it must be created soon in the organization because it guides success of the organization.

5.3.4 There is no confusion on accepting the management tool (BPR) as good instrument that leads to efficiency and effectiveness of the organization. But the essential values and beliefs that lead to success in the organization is not established. This assured that it needs to build a healthy and robust organizational culture may provide an efficient employee performance; team cohesiveness; high employee morale, and strong organizational alignment towards goal achievement for future success of the organization.
5.3.5 The working environment must have to be changed and competition has to be created between employees for provision of quality services for customers and the reform as well as cultural change must be supportive to achieve the intended goals of the organization by addressing the changing expectation of the citizens. It needs to work on improving the relationship between working groups for creating competitive environment in the organization based on reform. Because a healthy competition among employees is one of the results of a shared organizational culture. Since service provision for customers is not good and the greetings and helping each other between employee are not good in the organization as well as employees are not committed to work hard for the achievements of organizational goals this all must be changed by giving focus attention for changing the culture of the organization.

5.3.6 Most respondents not attracted by the benefit package of the organization; not happy to work there for the rest of time; not interested to discuss outside about their organization with others as well as there is no a trend of rewarding based on performance by considering stories and legends. These all findings clearly depict that strong organizational culture is not created even after the implementation of reform in the organization. Therefore the government has to change the benefit package of the organization as well as must have to create a uniform benefit packages not only in the Transport Authority but also in all organizations of Federal Government, so that employees can get equal benefit for the same educational level and service year, and they becomes motivated and interested to work by better performance in the existing organization.

5.3.7 To cope up with this changing environment and technological advancement at globalization era the organizational culture need to be attractive for employees and customers to be successful in their activities in the organization. Creating clear understanding about organizational culture and changing an established culture towards achieving the intended objectives reform will leads to efficient and effective delivery of public services, by bringing attitudinal change on employees so that it is better aligned with changes in organizational objectives and work practices.
REFERENCES


APPENDICES

Appendix A
Addis Ababa University
School of Graduate Studies, Faculty of Business and Economics
Department of Public Administration and Development Management
MPMP: Program
Survey Questionnaire

Dear Respondent

This questionnaire is prepared by Endalkachew Tsegaye, who is a student of Master of Public Management and Policy (MPMP) at Addis Ababa University. The purpose of the study is to assess the impacts of institutional reform on organization culture in federal transport authority. This may help the institutions in solving the major problems raised regarding the outcome of reform towards changing the culture of the organization for best performance.

The information acquired through this questionnaire will be kept confidential and it is purely for academic purpose. Therefore, I kindly request your timely and honest responses. The researcher sincerely expresses his thanks in advance for sparing your time and energy to complete this questionnaire.

General Instructions

- There is no need of writing your name
- In all cases where answer options are available please tick (X) in the appropriate box of your choice answer.
- For open ended questions, please enter your response on the space provided

Contact Address
If you have any problem, please do not hesitate to contact the researcher who is available at (Mobile: 09-11-08-19-31 or e-mail: endalkts@yahoo.com)

Thank you in advance!!!
PART ONE: Demographic information

1. Gender
   □ Male □ Female

2. Age
   □ 18-25 □ 26-40 □ 41-55 □ above 55

3. What is your level of education?
   □ Secondary school □ Technical school graduate □ Diploma
   □ Masters and above □ Degree

4. The number of service years you have been serving this institution or other government agencies
   □ < 1 year □ 1-2 years □ 3-5 years □ above 5 years

PART TWO: Close Ended Questions

1) Do you have clear understanding of the objectives of institutional reform?
   □ Yes □ No □ To some extent □ No answer

2) Do you think the intended objectives of institutional reform are achieved after the implementation?
   □ Yes □ No □ To some extent □ No answer

3) Do you think the reform in your organization has achieved its objective in changing the culture of the organization?
   □ Yes □ No □ To the same extent □ No answer

4) How do you rate the level of understanding of employees and management about the Civil Service Reform (CSR) and BPR in your organization?
   □ Very high □ High □ Medium □ Low □ Don’t know □ No answer

5) Do you think the Relationships between work groups or departments are co-operative and competitive?
   □ Yes □ No □ To some extent □ No answer

6) Does institutional reform help Ethiopian Transport Authority to improve its working environment?
   □ Yes □ No □ Do not know □ No answer

7) Do you have the discretion (freedom) to solve problems and make decisions that affect your work?
   □ Yes □ No □ Sometimes □ No answer
8) Have you ever participated in meetings with your supervisor about your work/task since your institution started the implementation of BPR?
   □ Yes  □ No  □ Sometimes  □ No answer

9) What are the bases for promotion in your institution under BPR?
   □ Seniority □ Merit or Performance □ Favoritism □ Nepotism □ other
   (please specify) _______________________________________________
   ___________________________________________________________________
   ___________________________________________________________________

10) Is there any trend of rewarding for better performance in your organization?
   □ Yes  □ No  □ Sometimes  □ No answer

11) Has BPR brought any human resource development program to your institution in order to promote your future career?
   □ Yes  □ No  □ not sure  □ No answer

12) Do you think the institutional reform has impact on Organizational culture?
   □ Yes  □ No  □ Sometimes  □ No answer

13) If your answer is yes, how? _________________________________________
    ___________________________________________________________________
    ___________________________________________________________________

14) If your answer is no, why? _________________________________________
    ___________________________________________________________________
    ___________________________________________________________________

15) How would you rate employee’s attitude towards institutional reform?
   □ In favor of change □ Anti change □ Indifferent □ No answer

16) How would you rate the initiatives taken by top executive to trigger institutional reform in Ethiopian Transport Authority?
   □ Excellent □ Good □ Fair □ Poor □ No answer

17) How do you rate team spirit in your work environment?
   □ Excellent □ Good □ Fair □ Poor □ No answer

18) Does BPR serve as a good reform instrument for radical rethinking and improvement of processes and workflows? □ Yes □ No □ Can’t say

19) Do you think that BPR lead to efficiency and effectiveness by provide better customer service? □ Yes □ No □ Can’t say
20) Do you think there is employees’ resistance to change due to job displacement and lack of incentives packages? □ Yes □ No □ Not sure □ No answer

21) The organization has collective thinking minds or common values, beliefs, behaviors of the employees which create a difference between the members from other institutions. □ Yes □ No □ Not sure □ No answer

22) Did institutional reform implemented in transport authority have given a focused attention on changing the organizational culture? □ Yes □ No □ Not sure

23) If you response to question 26 is yes how? If No why? ____________________
__________________________________________________________________
__________________________________________________________________

PART THREE: Open Ended Questions

24) What challenges do you observe in implementing institutional reform in your organization? Please enumerate___________________________________________
____________________________________________________________________
____________________________________________________________________

25) How could these challenges be overcome to bring the objectives of changing the culture of the organization? Please recommend the possible solutions.____________________________________________________________________
____________________________________________________________________
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26) Is there gap between the expected change and reality after reform on organizational culture? Did you mention some of the gaps? ________________________________
____________________________________________________________________
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27) What were the trends and challenges in reforming the old organizational culture approach to the new in your organization? ________________________________
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28) Does the institutional reform in your organization have achieved its objectives of changing organizational culture? ________________________________
29) If you response is yes how? If No why? ________________________________
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30) Do you think the institutional reform being effective without changing the organizational culture? Why? ________________________________
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31) Is it possible to bring changes on organizational culture through the implementation of institutional reform? What major changes are noticed?
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32) What impacts does reform have on culture of the organization? How do the employees behave the changes created after reform? ____________
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33) What can you say about the awareness level and attitude of the employees and the management of transport authority towards institutional reform? ____________
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34) What changes comes on the human element change after the reform? ____________
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__________________________________________________________________

35) Is that change has ability to change the organization towards employees performance and goal achievement? ________________________________
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__________________________________________________________________
36) If there is any change on the culture of the organization after reform in Transport Authority mention few?

_____________________________________________________________________

_____________________________________________________________________

PART FOUR Mark “√” as your perception

5, stands for strongly agree 4, stands for agree

3, stands for neither agree nor disagree

2, stands for disagree and 1, stands for strongly disagree

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<tr>
<th>QUESTIONS</th>
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<tr>
<td>During reform the organization has given great attention for changing the organizational culture</td>
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<td>Compensation and benefit package available in my institution is equitable with comparable organizations</td>
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<td>Since communication with Senior management is good, I with the rest of the organization are comfortable sharing our opinions at work</td>
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<td>The organization has different values and behaviors that guide to success</td>
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<td>The reform in my organization has achieved the goal of improving the quality of public services delivered to the citizens due to strong organizational culture.</td>
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<td>There is a competitive environment created in the organization to accomplish task on time and best quality after reform</td>
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<td>After the reform the organization has developed good governance and accountability</td>
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<td>The organization has skilled workers with ethical behavior of the civil servants</td>
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<td>The performance measurement system adequately implemented in my organization after reform for rewarding.</td>
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<td>After the reform citizens are empowered to participate more effectively in shaping the organization activities and culture.</td>
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<td>The reform has addressed the changing expectations of citizens.</td>
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<td>I am given adequate feedback about my performance.</td>
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<td>I have an opportunity to participate in the goal setting process</td>
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<td>I receive the training I need to do my job well</td>
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<td>Teamwork is encouraged in this organization.</td>
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<td>My job is important in accomplishing the mission of the organization</td>
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<td>Due to the implementation of BPR in my institution, the time and effort</td>
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<td>that my work/task demands is reduced.</td>
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<td>The environment in this organization supports a balance between work and</td>
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<td>personal life.</td>
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<td>Every activity for best performance can be valued for any promotion and</td>
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<td>reward.</td>
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<td>I would be very happy to spend the balance of my career with my current</td>
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<td>organization.</td>
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<td>I enjoy discussing my organization with outsiders.</td>
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<td>The organizations culture is supportive for the implementation of new</td>
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<td>initiatives and the achievement of its overall goals</td>
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<td>There is a trend of creating strong organizational culture and valuing</td>
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<td>changes in my organization:</td>
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<td>The organization can take stories and legends of employees for award</td>
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<td>ceremonies.</td>
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<td>languages used to address people, describe customers are better after</td>
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<td>reform in my organization</td>
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<td>Building structure and Office design conveys cultural meaning</td>
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<td>The ways members greet one another, dress, lunch/coffee breaks,</td>
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<td>treatment of older members is good in my organization</td>
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<td>Employees work hard in the organization, weekend work, work taken home,</td>
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<td>etc.</td>
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Appendix B

Addis Ababa University

Faculty of Business and Economics

MPMP Program

Interview Questionnaire: To be answered by directors and managers

The following interview questions are designed to collect information about the impacts of institutional reform on organizational culture in transport authority. The information shall be used as primary data in my research which I am conducting as a partial requirement of my study at Addis Ababa University for completing my MPA under faculty of Business and Economics. The research is to be evaluated in terms of its contribution for institutional reforms effectiveness in Ethiopia with changing the culture of the organization towards better achievements of goal. Therefore, I will be willing to submit a copy of my final report to you if desired when it is ready. Therefore, your genuine, honest, and prompt response is a valuable input for the quality of and successful completion of the research.

List of interview questions:

1. Does institutional reform help Ethiopian Transport Authority to improve its working environment? What challenges do you observe during implementations?
2. Do you think the institutional reform has impact on changing the Organizational culture? How? What impacts does reform have on culture of the organization?
3. Does the institutional reform in your organization have achieved its objectives of changing organizational culture? How?
4. How do you evaluate the awareness level and attitude of the employees and the management of transport authority towards institutional reform?
5. Did your organization have given attention for changing the organizational culture when reform was carried out for employees’ performance and goal achievement?
DECLARATION

I, Endalkachew Tsegaye declare that this work entitled “Assessing The Impacts of Institutional Reform on Organizational Culture: The Case of Federal Transport Authority”, is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged.

I have produced it independently except for the guidance and suggestion of the Research Advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Masters of Public Administration (MPA).

By: Endalkachew Tsegaye

Signature____________________________
Date______________________________

Advisor: Professor C.D. DASH

Signature____________________________
Date______________________________