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Effect of Organizational Culture on Employees' Performance

: In the case of Horizon Addis Tire

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Abstract

The purpose of this study was to investigate the effects of organizational culture on employees' performance in the case of Horizon Addis Tyre Manufacturing. Primary and secondary data sources were employed and questionnaire was the main instrument of data collection. Data were collected from the target population of respondents using systematic sampling techniques. The data analysed using descriptive statistical tools revealed that employees' job performance is influenced by the company's team oriented management approach, training and development program of the company, perceived organizational reward and recognition and the organizational communications styles. The study recommended that the company should create ground for employees' cooperation, fair and considerable reward and compensation package, effective and smart communication network to share valuable information. Last but not least planned and scheduled training and development based on employees' task and line of responsibility is vital for improved employees' job performance.

Key words: *Organizational Culture, Employee performance*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Many business managers struggle to survive in a competitive global market because of challenging characteristics in business (Amir Bolboli & Reiche, 2014). The challenges include increasing global price competition and satisfying demands of different stakeholders(Sinha et al., 2013) . In the corporate group, managers have more challenges in establishing an effective organizational culture, which is an essential element to improve performance and productivity (Victoria et al., 2021). Organizational culture is an important element to unify various company cultures in the corporate group structure (Kenny, 2012).

Corporate managers may establish an effective organizational culture to integrate the organizational culture and to improve performance. Successful cultural integration within the corporate group is an important element to maintaining successful communication and improving performance (Idris, Wahab, & Jaapar, 2015).

The lack of effective organizational culture is a primary cause of poor performance and productivity in the corporate group (Eaton & Kilby, 2015). Business managers must understand the importance of effective organizational culture to improve performance and productivity in the corporate group (Viegas-Pires, 2013).

Organizational culture defines the behaviours and beliefs of the members inside. It is pervasive and powerful. For organizations, companies, and businesses, it is either a force for change or a definite barrier. It is either the glue that bonds people to tan organization or drives them away from the employees. Organizational culture plays a very significant role in an organization. It is a well-recognized measure that helps understand the organization's professed stability for its incentive, encouragement, and contentment with their job (Stephen & Stephen, 2016). Further evidence in support of the influence of organizational culture on performance is reported by Cooper, Cartwright, and Earley (2001) who argue that culture acts as a stabilizer of individual behavior. In addition, Giberson et al. (2009) emphasize that organizational culture is an integrating force that pulls organizational behavior in the direction desired by management.

Organizational culture can function as a binding demand for its members because it can be formally formulated in various rules and regulations of the organizations. Thus, individuals within the organization will indirectly be bound to form attitudes and behaviors following the organizational vision, mission, and strategies. Organizational culture may influence organizational performance (Ahmed and Shafiq 2014; Ehtesham, Muhammad, and Muhammad 2011; Ting 2011) because culture can form capable individuals and have high integrity and shape in their behavior at work (Joko Suwaryo, Heny K. Daryanto 2015). In addition to producing qualified human resources, the success of the organization also depends on its culture. A strong organizational culture is expected to strengthen individuals within the organization to form attitudes and behaviours that can produce a maximum performance to improve the quality of performance through organizational culture (Faizal and Isa 2016; Nanda Novziransyah 2017; Sagita 2018).

Moreover, organizational culture serves as a control mechanism to channel behaviours' toward desired behaviours and away from undesired behaviours. Improving employee performance has been on the top of the organizational plan. The work culture of an organization is born out of the organization's strategic intent and values. The employees and management are critical factors in creating a productive work environment. Before deciding job, a prospective employee usually looks into an organization's work culture intending to better align him into it. It helps in further defining his role in the organization and relations with the management. To study the effect of organizational culture on employee performance is vital to understand the corporate culture and different aspects of employee performance (Padhi, 2017).

The organizational culture has a potent affect/effect on the company's members through the principles and what principles are followed. Schein (1985) proposed that organizational culture serves the dual roles of adaptation to changes in the environment external to the firm and enabling internal integration. Collyer (2000) suggest that performance can be understood better by analysing organizational culture as firms respond to changing circumstances based on their established culture. A practical organization manages employees and often engages with programs that facilitate the improvement of work production. Employee performance is a process of evaluation of skills applied; skills required to that of an employee; during the process of working, employees behave in such a way that they reflect their skills or lack of skill by which the percentage of the effort and skills can be measured to the quality of work given. Effective performance of the employees is often related to the business success through meeting the organization objectives.

1.2 Background of the company

Horizon Addis Tire Manufacturing PLC is the oldest tire manufacturing industry in Ethiopia. It launched its manufacturing activities in 1973 G.C as “Addis Tire Factory”. It had a yearly production capacity of 60,000 tires and a total of 260 employees. In June, 2004 G.C joint venture was formed between Addis Tire S.C (government owned) and the Slovakian renowned tire manufacturer Matador and the operation commenced in July, 2004 with the hybrid trade name of “Matador-Addis Tire share company". However, due to shift in business focus, MATADOR-Addis Tire S.C. transferred its share to Continental AG on October 23, 2007GC. Then, Continental AG, the world known German tire manufacturer company, had bought all Matador holding companies in Slovakia, Russia and Ethiopia. Even though, due to lack of concentration of continental AG, there was no significant progress on the commitment of MATADOR-Addis Tire S.C. Thus, Continental AG sold its share to national investor to Mohammed Al’Amoudi through one of his group company’s name, Horizon Plantation P.L.C.

It transformed to Horizon Addis Tire Manufacturing PLC during the second quarter of 2011 through ownership transfer from Matador Addis Tire S. C. to the Horizon Plantations Ethiopia PLC. HATMPLC initially acquired 61% shares, while the remaining 39% ownership was retained by the government. Further, by expanding its ownership, since August/2013 the Horizon Plantation P.L.C owns 100% share of the company.

Currently the factory has 20% of the market share of the nearly 2,500,000 tires sold in the country annually and total of about 752 employees engaged. The company has a vision of Being a leading brand in Ethiopia, to secures and ensures 60% market share in the local market and 10% of its production volume export to the COMESA region in the year 2025 (HATMPLC,2012). This will be achieved by continual improvement of products, process, and method of production and effective utilization of resources.

1.3 Statement of the problem

Organizational culture is a set of values, beliefs and behaviour patterns that differentiate one organization from other organizations (Ortega-Parra & Sastre-Castillo, 2013). Organizational culture is the adhesive holding companies together in a country. It is characterized by stability processes, predictability and is a source of recreation, new opportunities, conflicts, and dynamics. Recent studies on organization culture translate organization culture concerning culture on employee participation, openness to communication, risk-taking and innovation, customer service orientation, and reward system as its attributes; Wahjudi. et al. (2016) study anchored organization culture on individualism, uncertainty avoidance, power distance, masculinity, and long term orientation; Allard (2010), employee longevity; Naranjo et al., (2016) adhocracy culture and clan culture. These contradictions reveal that it remains unknown that organizational culture based on individual values, assumptions, values, and artifacts influences organization performance.

Organizational culture significantly affects innovative behaviour of individuals and teams. Basic elements of organizational culture which include shared values, assumptions and beliefs, "become enacted in established forms of behaviours and activities are reflected as structures, policy and practices" that "impact directly creativity in the workplace (Martins and Terblanche, 2003).

As depicted on the background of the study different authors and researchers asserted that there is positive and significant relationship between overall organizational culture and employees' performance. Furthermore, a study by Nongo and Ikyanyon (2012) proved that corporate culture is important in improving the level of employee commitment to the organization but not all corporate cultural measures have effect on employee commitment. Accordingly, these researchers conclude that, consistency & Mission; two of the corporate culture traits on Dension Model, are not significantly correlated with organizational commitment. To the contrary, Asghar, Mojtabaand Sadeghi (2015); Ghader and Afkhami (2014); Azadi, Bagheri, Eslami and Aroufzad (2013) research finding depict that there is significant relationship. So there is further need to research which organizational culture trait has effect on employees' performance. Hence, examining effect each organizational culture traits enables organizations to identify a cultural trait which has greater effect on employees' performance.

Desai, Majumdar, Prabhu, (2010) investigated employee engagement in manufacturing and IT industries. The factors that promote employee engagement have an overall effect on productivity. The engagement process was mostly higher in manufacturing companies than IT companies. The difference between industries is due to the difference in requirement of engagement. The expectations on support and personal care, communication and collaboration are the factors that influence the level of engagement in the manufacturing companies. The study recommended that engagement should be incorporated with personal touch, benefits, safety, training, community and appreciations and finally recommends including organization culture into engagement activity.

(Adewale, Anthonia, 2013) examined the impact of organization culture on human resource management practices in private universities of Nigeria. The findings showed that there is a relationship between culture and recruitment, development programs, performance, engagement, benefits and salary. The factors have an equal effect on all individual due to the culture that strongly values their belief system. With such cultural orientation, the human resource management practices are strongly influenced. The reduced staff turnover was found to be affecting the performances across all functionaries where the firm's goals are presented well in advance to seekers through their course of recruitment and processing of job. Thus the study confirms that belief system that translates the culture to the employees well in advance to align them to the culture of the organization.

In the case of the organization under study, Horizon Addis Tyre has its own organizational culture which distinguishes it from other companies. Further it is unquestionable that studying organizational culture and its effect on employees' performance help organizations to enrich their organizational culture practice and adjust the focus on most important organizational culture elements which brings the desired employees performance. This is not an exception to Horizon Addis Tyre so that this study will try to investigate the effect of some of the organizational cultural dimensions on the employees' performance at Horizon Addis Tyre so that the organization can focuses on important cultural dimensions that can bring the desired employees' performance based on the result of the study .

Ethiopia is a land of different cultures, values, believes, and norms owned nations. Not only Ethiopians but also non Ethiopians different cultures, believes, norms and values appeared in different organizations of Ethiopia, and hence these different cultures believe, norms and values have a significant impact on the organizations productivity, service quality and overall performance, the research wants to examine the effect of these organizations cultures on employees performance and how the organizations cultures will affect the Employees' /individual's performance , and also other studies in the area tried to identify the effects of organization culture on employee performance with a single dimension and different collective dimensions, but here the research needs to focused on organizational culture in terms of Teamwork, Training and Development, Reward and Recognition, Communication which are highly affecting employees performance.

Regardless of the culture it operates, nature of operation, size and industry, Organization has its own established culture that positively or negatively influences employees' performance. Hence, it is critically important to study organizational cultural dimensions to pay attentions to the most important cultural aspects to bring about the desirable employees' performance. Different scholars suggested various organizational cultural dimensions such as leadership styles, Organizational Structure, Gender, Power Distance, Time Orientation, Communication, Team Orientation, Training and Development, Innovation and Risk Taking, Attention to Detail, Outcome Orientation, Consistency, Adaptability, Aggressiveness Uncertainty avoidance, Involvement and many more variables that effect on employees' performance. There is no universally accepted yardstick of cultural dimensions that have influence on employees' performance. Hence the researcher selected Teamwork, Training and Development, Reward and Recognition; and Communication which are highly affect employees' performance as study variables to identify their indulgence on employees' performance at Horizon Addis Tyre.

Basic research questions

The study will try to answer the following basic research questions;

- What is the effect of teamwork culture on employee performance in Horizon Addis Tire?
- How do the organization's reward and recognition cultural dimensions affect the employees' performance in Horizon Addis Tire?
- What is the effect of the organization's training and development programs on employee's job performance in Horizon Addis Tire?

- Does the communication culture of the organization affect the job performance of employees in Horizon Addis Tire?

1.4 The objective of the study

1.4.1 General objective

The general objective of this study is to investigate the effects of organizational culture on employees' performance

1.4.2 Specific objectives

The study has been the following specific objectives:

- To assess organizational culture practiced and determine current employees' performance in Horizon Addis Tyre.
- To identify major factors affecting employees' performance.
- To determine to what level organizational culture affects employees' performance.

1.5 Hypothesis of the study

To investigate the effect of organizational culture on employee performance the following alternative hypotheses are developed by the researcher.

H1. There is a direct and positive relationship between Teamwork culture and employees' performance in the organization.

H2. There is a high relationship between Reward and Recognition and employees' performance with the organizations.

H3. There is positive relationship between Training and Development and employee's performance in organizations.

H4. There is a high relationship between organization's Communication culture and employees' performance in the organization.

1.6 Significance of the study

The study mainly focused on the effect of organizational culture on employees' performance specific of Horizon Addis Tire (Ethiopia). Hence, this study's findings may contribute to the company's top, middle, and supervisory management and get an insight to understand the implications of those cultures on employees' performance. As a result, the company will re-examine which organizational culture dimensions most dominate its employees' performance. The company may design practical strategies to take appropriate improvement action on building such cultures, which might facilitate its long-term success and well-being. Furthermore, it will help reconsider organizational culture is one of the prominent determinant factors for employees' performance by other related companies. It will also be used as secondary information or reference for future researchers in the industry who may be inspired by the research the topic.

1.7 Scope of the study

This research focused on Horizon Addis Tire and intended to reflect the effect of organizational culture on employees' performance. Organizational culture dimensions are too broad to cover its entire aspects and process in one research paper. Thus, this study focused on only the four common dimensions of organizational culture such as team work, reward and recognition, training and development and communications.

1.8 Limitations of the study

There will be external (uncontrollable) factors which might disturb the smooth implementation of this research as expected. The study relied only on questionnaire to collect data due to inaccessibility to get respondents for interview purpose. However, the researcher tried to generate useful outcomes from questionnaire designed using the five Likert's Scale such as strongly agree, agree, neutral, disagree and strongly disagree for the study variables selected.

The study also is not comprehensive as it is limited to only four of the several organizational cultural factors that influence employees' performance (team work, reward and recognition, training and development and communication.

1.9 Organization of paper

The study is organized in five chapters. Chapter one deals with background of the study, statement of the problem, objective of the study, research hypotheses, significance of the study, scope of the study, limitation of the study, operational definition of key terms and organization of the study. Chapter two presents review of related Literature. In this section related to the observed topic theoretical and empirical findings of previous research are reviewed. Chapter three deals the elements of research design and methodology including research approach, design, source of data, study population, sample size and sampling techniques, procedures of data collection, data gathering tools, data quality assurance (validity and reliability), method of data analysis and ethical consideration. Chapter four handles data analysis and presentations of the findings based on research objectives. It contains presentation of respondent’s personal information, descriptive statistics and finally inferential data on the correlation regression analysis between variables. The fifth chapter presents summary of findings, conclusions and recommendations, respectively. Additionally, suggestions for the future research from researcher’s perspective, as well as the importance and the relevance of the findings and their implications are covered here.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

2.1 Introduction

This chapter presents the review of related literature conducted on the relationship between organizational culture and employees' performance. In line with this, the chapter covers the concepts and definitions of organizational culture and employees' performance, the importance of organizational culture, the research hypothesis and finally the conceptual framework of the study is developed at the end of this chapter. The aim of this chapter is to review different literatures relating to organizational culture, and employee job performance and to discuss the relationship between them. This review of literature will provide the theoretical background for the study and different empirical findings.

2.2 Organizational culture defined

There is no single definition for organizational culture. The topic has been studied from a variety of perspectives, ranging from disciplines such as anthropology and sociology, to the applied discipline of organizational behaviour, management sciences to organizational commitment. In the course of this research, we are going to look at some definitions given by some authors from the applied sciences discipline. Moorhead and Griffin (1995), authors of books on organizational culture, feel compelled to develop their own definitions of culture. These may vary from the very broad definitions to the highly specific. Most definitions refer to some sort of values, beliefs, and attitudes that are held by individuals and the organization. Schein E.H. (1990) defines culture as: "a pattern of basic assumptions that a 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". Schein E.H. (1985) has further opinion that culture comprises of three levels, namely behaviours and artifacts, values and basic underlying assumptions.

The first level, namely visible artifacts comprises of "the constructed environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behaviour patterns, and public documents such as charters, employee orientation materials, stories" (Schein E.H, 1984,).

The second level is the values. The values will govern behaviour and will explain why members of the organization behave in a certain manner.

The third level is the underlying assumptions and these are typically unconscious. These assumptions will determine how members think and feel and it guides the behaviour of the members. (Schein E.H. 1984) also suggests that cultures are created through the way Organizations have reacted to important incidents in the past and how the organization evolved certain norms to deal with certain incidents.

According to Schein definition, the word organizational culture is so broad and it is the basic assumptions that the members of the organization learn to handle the external problems and internal integration. In addition to this, Schien E.H. explains the three levels of organization culture as behaviours and artifacts, values and basic underlying assumptions.

Contrary to Schain's (1985) opinion that values are part of culture, Van den Berg and Wilderom (2004) argue that although values are an important element of organizational culture, organizational culture is more the shared perceptions of organizational practices and that value are merely expressed in organizational practices. They also found that organizations differ more strongly on practices than on values. They therefore (Van den Berg and Wilderom, 2004) do not include values in their definition of organizational culture, but define organizational culture as "shared perceptions of organizational work practices within organizational work practices.

McGuire (2003) defines culture as a system of shared values, beliefs and norms of members of an organization, including valuing creativity and tolerance of creative people, believing that innovating and seizing market opportunities are appropriate behaviours to deal with problems of survival and prosperity, environmental uncertainty, and competitor's threats, and expecting organizational members to behave accordingly.

The definition explained by Schein and Mcguire are more or less similar except that the Mcguire (2003) gives emphasis for the creativity because he believes that innovating and promoting market Opportunity are important behaviours to deal with the problems of external environments.

Harrison (1972) refers to an organization's ideology and explains that this ideology will explain the behaviour of the members of the organization and the working of the external environment. According to Harrison (1972), the organizations ideology will specify the goals and values towards which the organization will be directed, it will prescribe the relationships between individuals and the organization, it will indicate how behaviour should be controlled, it will depict which qualities and characteristics will be valued, it will show members how they should treat one another and it will establish the methods for dealing with the external environment.

According to Harrison definition, organizational culture is organizational ideology and the behaviour of each member of the organization is dependent on the organizational ideology. In addition to this, organizational ideology shows the relationship between individuals and the organization. Harrison also believes that organizational ideology will establish the methods for dealing with the external environment which is also explained by previous author Mcguire (2003).

Martins and Terblanche (2003) define culture as "the deeply seated (often subconscious) values and beliefs shared by staff in an organization." It offers a shared system of meanings, which forms the basis for communication and mutual understanding. Hall (1988, p. 308) defines organizational culture as "a system of norms, policies, practices, incentives, and expectancies within which individual and collective competence may flourish". "Every organization has a fundamental character of spirit we might call it culture which is revealed in a prevailing system of values, beliefs about the importance and basic nature of people, and norms of authority and influence.

Hall (1988) has a further opinion that, organizational culture is created by means of empowering people through the competence process. According to Hall (1988), the competence process is three-dimensional with the dimensions being collaboration, commitment and creativity. All three these dimensions will influence the manner in which organizations are structured, how staff is rewarded and how reporting relationships are established and managed. Managers will create the conditions which will give the organization its basic character.

According to Martins and Terblanche (2003) definition organization culture is basic values and beliefs shared among the workers of the organization and this definition is similar with other author’s definition whereas the Hall (1988) definition gives emphasis for the system of incentives and expectancies which may increase the competency of the organizations.

In line with this the authors tried to show the way through which organizational culture is created, and in order to show this, they used the competence process which has three dimensions and how those dimensions affect organizational activities. In addition to this, Hall also believes that managers have the great contribution to create the basic character of the organization.

2.3 The concept of organizational culture

Organizational culture is conceptualized as shared beliefs and values within the organization that helps to shape the behaviour patterns of employees (Kotter and Heskett, 1992). Poku & Ansah, (2013) define organization culture as the drive that recognizes the efforts and contributions of the organizational members and provides holistic understanding of what and how is to be achieved, how goals are interrelated, and how each employee could attain goals. According to Cambridge dictionary, culture can be defined as the way of life, especially the general customs and beliefs, of a particular group of people at a particular time. Organizational culture is also described by Needle (2004) as the behaviour or interaction of humans within an organization. There are many researches that have linked culture in the organization with different organizational behaviours. This has been recognized that there is a correlation between culture of organization & employee job performance (Sheridan, 1992), decision making (Gamble & Gibson, 1999) and productivity (Kopelman, Brief and Guzzo, 1990). Luthans (1998) stated that organizational culture has often time presented within the organization, and it was not given importance needed in an organization. The culture of organization is highlighted to bring out every important component of the organization. Armstrong, (2011) also reflect that organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done (Armstrong, 2011). The definition emphasizes that organizational culture is concerned with the subjective aspect of what goes on in organizations. It refers to abstractions such as values and norms that pervade the whole or part of a business, which may not be defined, discussed or even noticed.

Organizational culture can be viewed in many ways, it has been defined by different writers and majority of them agree with the concept of culture as it refers to values, underlying assumption, expectations, and definitions that characterize organizations and its employees.

The definition of culture by Schein E.H. (2010) was as a pattern of shared basic assumptions learned by a group as it answered its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the right way to perceive, think, and feel in relation to those problems. Edith Penrose (1995) identifies the concepts of core and network as two main promising organizational paradigms that organizations and researchers should rely on, since they shape the behaviour of markets and the effects of „free market' competition. She highlights that the organizations which focus on adapting to their core values and are able to develop network of existence will be the future of the market. Indirectly this gives an insight to the establishment of organizational culture based on core values and her conceptual argumentation gives rise to the linking of the organization culture and its elements to the organizational performance.

The organization as a nexus of social groups has become the prevailing idea within all recent researches, where cultural capabilities and core competencies are the main determinants in shaping the process of the growth of organizations and henceforth their performance. One of the earliest studies lies in Hofstede's (1980) seminal work, where he assimilates organizational culture to the software of the mind. In fact, it is in organizational culture that one can find the origin and eventual purpose of any analysis dealing with firms, their development, as well as their performance. Specifically, Hofstede argues that differences in strategies, behaviours and performances emerge from differences in organizational cultures pertaining actually to differences in national cultures.

Wallach (1983) identified the basic facets of organizational cultures and clarified the Hofstede's (1980) findings about the culture. Peter and Waterman (1982) found a significant link between strong culture and high financial performance. The actions of the performers in a cultural setting reflect their configuration of the learned mind processes throughout the span of their lives and this configuration tendency creates differences among individuals (Kotter, 1992). Organizational culture and organizational practices co-exists, which affects the socioeconomic value created by firms. Schein (2006) emphasizes that a right and strong corporate culture is the major key that enables firms to solve their problems, adapt their managerial style and reach effectiveness and expected levels of performance.

Most researchers have almost agreed in conceptualizing of organizational culture as a whole mechanism of interconnected and interdependent set of commonly shared values that purposely affect organizational behaviours, and norms adopted in solving problems and reaching higher levels of success. Kandula (2006) carried out a study and recommended the organizations to exhibit a strong work culture to gain tremendous, consistent and plausible performance.

A winning strategy cannot be extended to new situations with success unless differences in organizational cultures are taken into account (Deal & Kennedy, 1982), otherwise the organizations cannot guarantee the same levels of performance, and it may even become counterproductive.

Therefore, organizational culture must adapt over time with dynamic situations in order to cope up with intra- and inter-organizational transformations to meet with people's backgrounds, expectations and satisfactions. This evaluation is essential, because it makes the organizational decision makers to realize the strings exists in organizational culture and employee performance relationship that guides them to evolve such strategies, which would lead to achieve organizational strategic objectives. (Muzaffar, 2018).

2.4 Employee performance

Different Authors agreed on the concept of performance by differentiate between an action (i.e., behavioural) aspect and an outcome aspect of performance (Campbell, 1990; Campbell, Mc Cloy, Oppler, & Sager, 1993; Kanfer, 1990; Roe, 1999).

The behavioural aspect refers to what an individual does in the work situation and "Performance is what the organization hires one to-do, and do well" (Campbell et al., 1993). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (Cf.Ilgen and Schneider, 1991.

Every organization has been established with certain objective to achieve. These objectives can be achieved by utilizing the resource like men, machine, materials and money. All these resources are important but out of these the manpower is the most important. It plays an important role in performing tasks for accomplishing the goals.

Employees are performing different jobs in an organization depending upon the nature of the organization. They mainly perform tasks like production, storage, manufacturing, transportation, marketing, accounting, human resource, research and public relations.

All these activities are interrelated to achieve the targets. Various factors like skill, training, motivation, dedication, welfare, management policies, salary and packages, promotion, communication, organizational culture are responsible to encourage the people to work sincerely and give their best output.

The importance of employees' performance must be understood by the management and sincere efforts must be put in that direction. (Heskett, 1992), identify employee performance as the accomplishment of a given task measured against present known standards of accuracy, completeness, cost, and speed. The degree of an achievement to which an employee fulfils the organizational mission at workplace is called performance (Cascio, 2006). Employee performance has been perceived differently by various researchers, but most of the scholars relate performance with measurement of transactional efficiency and effectiveness towards organizational goals (Stannack, 1996).

Different researchers have identified various thoughts, attitudes and beliefs of performance, as it helps in measurement of input and output efficiency, the measures that lead to effective transactional relationship. (Stannack, 1996) In order to achieve goals and objectives of an organization, strategies have to be designed based upon organizational performance (Richardo, 2001).

Performance of employee is calculated against the required performance standard by the organization. Good performance means how employee performed in the task that was assigned to him (Kenney et.al, 1992). Performance is a main multidimensional build, aimed to get results and strong link to planned objectives of an organization (Mwita, 2000).

Employee performance is considered as an integral part of the growth process of an organization, it fosters employee commitment towards the organization. Employees align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they have immense job satisfaction. In such situation, employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization.

The culture and performance have been interrelated to each other based upon perfect association between business processes. The culture construct based upon operational complexity, has its basis towards different business processes. It was a research carried out in more than 200 organizations, based on culture and long term performance (Kotter and Heskett, 1992).

2.4.1 Teamwork and employee performance

According to (Bailey, 1999), an employee team is a collection of individuals who are interdependent in the task and who share responsibility for the outcomes. The team enables people to cooperate, enhance individual skills and provide constructive feedback without any conflict between individuals (Jones et al; 2007).

Teamwork has been described as an important factor for smooth functioning of an organization. Most of the organizational activities become complex due to advancement in technology; therefore teamwork is a major focus of many organizations. One research work concluded that teamwork is necessary for all types of organization, including non-profit organizations (Pfaff and Huddleston, 2003). Team members enhance the skills, knowledge and abilities while working in teams (Froebel and Marchington, 2005). The work performance or productivity of the team is higher than individual performance when the work requires a broader scope of knowledge, judgment and opinion. The advantage of teamwork is significant productivity growth in the spheres that require creative solving of different tasks, a high degree of adaptability and operational management (Totterdill, Dhondt and Milesome, 2002). Teamwork also creates an environment that facilitates knowledge and information exchange and so-called knowledge sharing.

Other advantages are the ability of new forms of work organization to increase the potential for innovation that may add value to products or services, moving them into less price-sensitive markets. Moreover, the ability of new forms of work organization to increase the employability of workers through multi skilling and the acquisition of higher competencies in problem solving, communication and team working will help labour market adaptation and also support new form of local and regional economic growth and regeneration.(Ifeyinwa, 2014).

According to Richard (1991), teamwork is a group of two or more persons who share their work and responsibilities in order to carry out a particular goal. Teamwork was earlier studied as employees combine their efforts to achieve a common objective by keeping in view the interest of the overall group instead of individual interests (Chukwudi, 2014). Cook et al, (1998) stated that many scholars in the world are agreed that organizations may achieve goals or objectives through individuals, but their major accomplishment remain in the goals achieved by teams (teamwork). "Teamwork is a mutual effort in which each person delivers his or her individual efforts and views to the effectiveness of overall group". The above statement does not indicate that individuals are no more valuable for organizations, but it does indicate that achievements through valuable and efficient teamwork are not possible through individuals (Reenen, 2007). Teamwork facilitates employees to cooperate with each other, improve their skills and deliver useful response without any dispute between them (Jones et al., 2007).

Beyond that, employees feel empowered in teamwork and this make them independent which is the basis of job satisfaction and minimum stress level (Oso, 2002). In an environment of belief and honesty, employees feel free due to which new and productive ideas arise and the team feels that ultimate goal being achieved (Aydin et al., 2009).

The organizations have increased employee performance, higher productivity, efficiency and the ability to solve problems quickly which mainly and mostly focus on teamwork (Cohen et al., 1999). (Manzoor et al., 2011) assumed that employees work confidently in teams as they are supported by the upper level management and as a result, this increases their productivity. Furthermore, (Gallie et al., 2009) described that teamwork encourage employees to use their knowledge, skills, capabilities and cooperate with their co-workers in order to maximize the performance of overall organization. The past study concluded that teamwork has significant positive effect on employee performance (Manzoor et al., 2011). (Janet, 2013) also concluded that teamwork has significant positive effect on employee performance.

2.4.2 Training and development on employee performance

According to (Bailey, 1999), an employee team is a collection of individuals who are interdependent in the task and who share responsibility for the outcomes. The team enables people to cooperate, enhance individual skills and provide constructive feedback without any conflict between individuals (Jones et al; 2007).

Teamwork has been described as an important factor for smooth functioning of an organization. Most of the organizational activities become complex due to advancement in technology; therefore teamwork is a major focus of many organizations. One research work concluded that teamwork is necessary for all types of organization, including non-profit organizations (Pfaff and Huddleston, 2003). Team members enhance the skills, knowledge and abilities while working in teams (Froebel and Marchington, 2005). The work performance or productivity of the team is higher than individual performance when the work requires a broader scope of knowledge, judgment and opinion. The advantage of teamwork is significant productivity growth in the spheres that require creative solving of different tasks, a high degree of adaptability and operational management (Totterdill, Dhondt and Milesome, 2002). Teamwork also creates an environment that facilitates knowledge and information exchange and so-called knowledge sharing.

Other advantages are the ability of new forms of work organization to increase the potential for innovation that may add value to products or services, moving them into less price-sensitive markets. Moreover, the ability of new forms of work organization to increase the employability of workers through multi skilling and the acquisition of higher competencies in problem solving, communication and team working will help labor market adaptation and also support new form of local and regional economic growth and regeneration (Ifeyinwa, 2014).

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Training and Development becomes inevitable the moment an organization realizes the need for improvement.

2.4.3 Reward and recognition on employee performance

2.4.3.1 Recognition programs on employee performance

Surveys through the years have supported the importance of non-financials as an effective leadership tool. For example, a survey conducted by the Society of Inventive Travel Executives.

Foundation found that 63% of respondents ranked & dquo; a pat on the back & dquo; as a meaningful incentive (Lovio-George, 1992). In another survey examining the value of 65 potential incentives, four out of the top five rewards ranked by employees as the most motivating were initiated by their manager, based upon performance, and required little or no money. Although the surveys all define non-financial rewards a little differently, the common theme is that they do not cost anything.
According to Graham and Unruh (1990), these powerful non-financial incentives can be operational zed as follows: A manager personally congratulating an employee for a job well done, a manager writing a personal note for good performance, a manager publicly recognizing

an employee for good performance, a manager holds morale-building meetings to celebrate successes.

Other examples of non-financial reward systems can be found in both the academic and practitioner literature. For example, Kerr and Slocum (1987) noted that organizations which recognize and respect their employees tend to retain their recognition workers for longer periods of time because of increased loyalty and commitment (Luthans, 2000).

2.4.3.2 Rewards on employee performance

The effectiveness of skilled employees is likely to be limited if they are not motivated to perform. One of the means that organizations can use to enhance employee motivation and performance is to provide performance- related compensation (Delaney and Huselid, 1996).

A reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Fey and Bjorkman, 2001; Guest, 2002; Mendonca, 2002). In other words, the compensation system (e.g. profit sharing) contributes to performance by linking the interest of employees to those of the team and the organization, thereby enhancing effort and performance (kalleberg and Moody, 1994; Huselid, 1995; Kling, 1995).

According to Nelson & Spitzer (2002) although cash rewards are welcomed by employees, managers should never use this as a tool to motivate their employees to improve their performance levels. Should this happen, there is a change that the essence of the reward would be forgotten. In a study conducted by (Bewen, 2000), the researcher warns that managers should be aware of „non rewards'. Such rewards should be utilized sparingly, and should not be used all the time. They are also described to be passive, and they do not necessarily lead to positive behaviors in the long term. According to Shore & Shore (1995), employees who are able to experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for. Thus, there is a need for the employer to really make an effort in showing the employee that his/her wellbeing is of concern to the organization and the management and that the contribution of the employee towards the organization is highly valued.

This idea is further reiterated by Buchanan (1974) who adds that the recognition of contributions towards the organization has a positive relationship towards increasing the commitment of the employee towards the organization and its objectives. (Serena Aktar, Muhammad Kamruzzaman Sachu, Md. Emran Ali, 2012).

2.4.4 Communication on employee performance

Employee communication is the dissemination of information which is related to the daily performance of an employer's job and also important if the worker is expected to be an effective member of staff. It connotes a consideration of human beings as a vital resource (Buchanan and Doyle 1999). Communication is the transfer of information from a sender to a receiver, with the message being understood by the receiver. Myers and Myers (1982) defined organizational communication as "the central binding force that permits coordination among people and thus allows for organized behaviour," and Rogers (1976) who argue that "the behaviour of individuals in organizations is best understood from a communication point of view." In many ways, organizations have evolved in directions that make the latter view more appropriate.

Effective communication is needed for management to develop and sustain a competitive advantage for organizational performance and improvement (Aviolio, Lado, Boyd & Wright, 1992; Rowe, 2001).

Effective communication between leaders and employees is critically important for the potential success of a company. Leaders need to enact strategies to improve communication that could lead to positive work consequences (Gray and Laidlaw, 2002). Improvements in supervisor-subordinate communication will assist organizations toward the goal of managing diversity by promoting equality and integration in the workplace.

Effective communication succeeds when employees support the leader and the organization if there is a belief that employees' efforts will be rewarded. Leadership succeeds when initiating response or responding to change and leadership is inextricably linked to the credibility of those leading. Constituents will become willingly involved to the extent that they believe in those sponsoring the change (Desanctis & Janet, 1999). Goris et al. (2000) and Ooi et al. (2006) find organizational communication to, have an important positive association with affective commitment, whilst (Brunetto and Farr-Whartons' 2004) findings "suggest a strong relationship between communication processes and job satisfaction and affective job commitment".

The importance of communication may appear intuitively obvious, but does research support this assumed importance; the short answer is yes. Research has shown that "when employee needs are met through satisfying communication, employees are more likely to build effective work relationships." (Gray & Laidlow 2004, quoted in Tsai and Chuang 2009). This "research satisfaction" – "the sum total of an individual's satisfaction with information flow and relationship variables" (Downs & Hazen, 1977, in Tsai and Chuang 2009) has been correlated with key variables such as job performance and turnover rates.

In other words, the ways in which information flows in an organization is critical to the way that personnel understand their relationship to and within the organization. In short, as Chen (2008) stated, each passing study seems to reveal "that the relationship between internal/employee communication and corporate effectiveness is more significant than what has previously been assumed" (Femi, 2014).

2.5 The importance of organizational culture

Different authors write about the importance of organizational culture, among those Mullins (1999:807) confirms that culture helps to account for variations among organizations and managers, both nationally and internationally. Culture helps to explain why different groups of people perceive things in their own way and perform things differently from other groups. Culture can help to reduce complexity and uncertainty. It provides a consistency in outlook and values, and makes possible the process of decision-making, co-ordination and control. There is nothing accidental about cultural strengths. In addition to this Saiyadin (2003:258) explains that culture performs the following functions.

Culture supplements rational management: within the organization creation of work culture is time- consuming process. Therefore, organization culture cannot suddenly change the behaviour of people in an organization rather Culture communicates to people through symbols, values physical settings, and language, and, thereby supplements the rational management tools such as technology and structure.

Culture facilitates induction and socialization in the organization: induction is a process through which new entrants to an organization are socialized and indoctrinated in the expectations of the organization; its cultural norms, and undefined conduct. The newcomer takes in the culture of the organization, which may involve changing his / her attitudes and beliefs to achieving an internalized commitment to the organization.

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Culture promotes a code of conduct: a strong culture in an organization explicitly communicates modes of behavior so that people are conscious that certain behaviors are expected and others would never be visible. The presence of a strong culture would be evident where members share a set of beliefs, values, and assumptions which would influence their behavior in an invisible way. Where culture has been fully assimilated by people, they persistently indulge in a typical behavior in a spontaneous way.

Promotion of the culture of quality can help achieve good business results; and Sub-cultures contribute to organizational diversity: sub-cultures and Sub-systems of values and assumptions, which may be based on departmentalization, activity centres, or geographical locations, provide meaning to the interests of localized, specific groups of people within the macro organization. Sub-cultures can affect the organization in many ways:

(i) they may perpetuate and strengthen the existing Culture;
(ii) they may promote something very different from those existing;
(iii) they may promote a totally opposite sub-culture (beliefs and values) or counter culture when in a difficult situation.

In addition to Mullins (1999) and Saiyadin (1999:807), Schein (1999: 110) also suggests that organizational culture is even more important today than it was in the past. Increased competition, globalization, mergers, acquisitions, alliances and various work force developments have created a greater need for: coordination and integration across organizational units in order to improve efficiency, quality, and speed of designing, manufacturing and delivering products and services; Product and strategy innovation; Process innovation and the ability to successfully introduce new technologies and program.

2.6 The impact of organizational culture on employee performance

Early studies have indicated that there exists a relationship between organizational culture and employee performance. Organizational culture is inherently connected to organizational practice; therefore, employee performance is conditional on organizational culture.

According Hellriegeland Slocum (2009), organizational culture can enhance performance in a large scale. According to them, the culture of an organization allows the employees to be acquainted with both the firm's history as well as current methods of operation and this specific direction endows the employees with guidance about expected and accepted future organizational behaviours and norms. Furnham and Gunter (1993), states that organizational culture functions as the internal integration and coordination between firm's operations and its employees. Internal integration has to do with the societal interaction of new members with the existing ones, creating boundaries of the organization feelings of identity among personal and commitment to the organization.

A strong organizational culture supports adaptation and develops employee performance by motivating employees towards a shared goal and objective, and finally shaping and channelling employees' behaviour to that specific direction.

Although, there are certain parameters that are taken into consideration to understand the impact of organizational culture on employee performance, which includes: employee participation, innovation and risk-taking, reward systems, openness to communication, customer service orientation. An organizational culture that supports these factors motivates the employees to put more effort in their jobs, which helps increases their performance level.

Some theoretical model asserts that the effective human resource system of an organization based on supporting values creates a positive impact on employee attitude and behaviour, which facilitates their performance.

Furthermore, the type of organizational culture created in an organization determines the impact it can have on employee performance. It can have either a negative or a positive impact. For instance, an organizational culture was employees are considered an integral part of the growth process of the organization fosters employee performance.

This is so because the employees align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitable rewards are given, they perform effectively and efficiently. In such organizational culture, the employees are committed to achieving their goals and thus it has a positive effect on the overall performance of the organization.

Organizational culture to a large extent determines the performance of employees. Therefore, it is in the interest of organizations to eliminate negative factors that slow down employee performance in order to foster a positive work place environment or a positive organizational culture.

2.7 The effect of strong organizational culture

The key to successful organization is to have a culture based on a strongly held and widely shared set of beliefs that are supported by strategy and structure. When an organization has strong culture, three thing happen, employees know how top management wants them to respond to any situation, employees believe that the expected response is the proper one and employees know that they will be rewarded for demonstrating the organization values.

The competitive advantage of an organization is attained through strong association and establishment of culture. The organization culture helps in measuring limitation to overcome performance measurement. (Rousseau 1990) The limitations shows that culture and employee performance shows negative correlation as employee performance is badly affected by it, (Awad, 2013).

2.8 Relationship between organizational culture and employee performance

Early studies have indicated that there exists relationship between organizational culture and its performance. Magee (2002) in this very point argued that organizational culture is inherently connected to organizational practices; therefore, organizational performance is conditional on organizational culture.

According to Hellriegel & Slocum (2009), organizational culture can enhance performance in a large scale if it can be understood that what sustains a culture. According to these authors the culture of an organization allows the employees to be acquainted with both the firm's history as well as current methods of operation and this specific detection endows the employees with guidance about expected and acceptable future organizational behaviours and norms.

Some theoretical models assert that the effective human resource system of an organization is based on supporting values and then these systems, in turn, create a positive impact on employee attitudes and behaviour, which facilitate organization's performance (Ferris et al., 1998). Mercer and Bilson (1985) also point out the correlation between organizational culture and employees' performance; and this employees' performance then translated into organizational outcomes such as customer satisfaction (Schmidt, Shull, and Schmitt, 2001), (Uddin, 2013).

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2.9 Empirical review

The research study conducted on Peshawar Province of Pakistan found that teamwork, esprit de corps, team trust and recognition and rewards has a significant positive effect on employee performance. The multiple regression model shows the significantly strong relationship between set of 4 independent variables namely teamwork, esprit de corps, team trust, recognition & rewards and dependent variable that is employee performance.

However, Teamwork was found to be the most significant independent variable having strong relationship with the dependent variable of employee performance. The regression coefficient R shows the value 0.859 which shows 85.9% proportion of variability between Independent Variables and Dependent Variable and coefficient of determination R2 .731 which shows 73.1% variation in Dependent Variable explained by Independent Variables.

The independent variables that teamwork, esprit de corps, team trust, recognition & rewards explained 62%, 15.2%, 13.3% and 10.7% of variation respectively towards dependent variable of employee performance. Overall, the results revealed that teamwork, esprit de corps, team trust, recognition & rewards and dependent variable employee performance were positively correlated. Teamwork found to be of significant importance if properly implemented. Moreover, Teamwork programs were found to have a positive impact on the employee performance which brings benefits in terms of higher productivity, better organizational performance, competitive advantage and increased product quality and quantity, (Sheikh, 2011).

According to one study conducted in South Africa by Franklin et al (2014), a total of 77% of participants agreed that training improves performance of employees by reducing uncertainty; 16% of participants remained neutral on the issue and only 7% of participants disagreed.

This finding is supported by Rothwell and Kazanas (2006:145), who state that effective employee training leads to an increase in employee performance. Consequently, accuracy, effectiveness, good work, effective safety practices and satisfactory customer services can be expected.

The fact that 5% of participants were neutral may have been because these employees are never sent for training in the organization. In total, 23% of participants disagreed that training affects their performance positively, a total of 55% of participants agreed that training increases employee confidence when performing his/her tasks after training; 13% were neutral on the issue and 20% disagreed that training increases employee confidence while performing their tasks, (Franklin, 2014).

2.10 Conceptual framework

Conceptual framework is defined as an interconnected set of ideas (theories) about how a particular phenomenon functions or is related to its parts (Svinicki, 2010). The main purpose of conceptual framework was to clarify concepts and purpose relationships among the variables in the study, provide a context for interpreting the study findings and explain observations.

The conceptual frame work for this research is based on the variables/constructs captured during the course of thorough literature review concerning the topic of organizational culture in the context of employee performance. The researcher combined these four variables in to a single model to analyse whether these variables really determine organizational culture in the employee performance in Addis Ababa, Ethiopia.

By doing a conceptual framework we are forced to be selective- to decide which variable are the most important, which relationship are likely to be most meaningful, and as a consequence, what information should be collected and analysed.

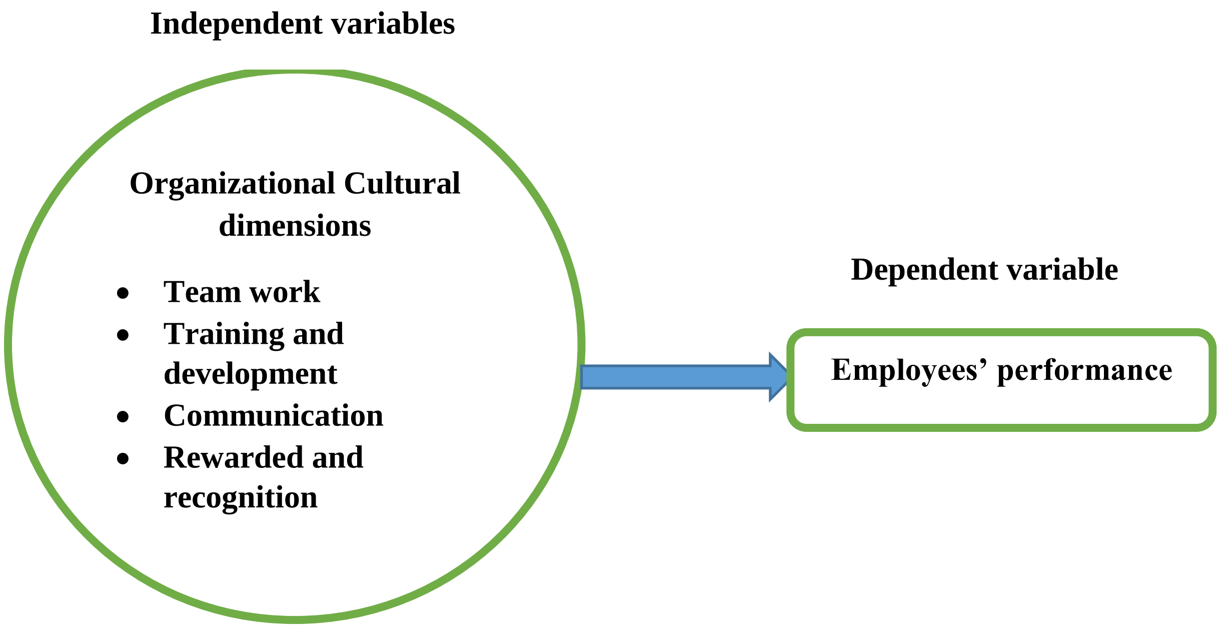


Figure 2-1 Conceptual framework for the study

Source: Developed by researcher based on literature review

The conceptual framework illustrated the relationship between organizational factors and employee performance. Organizational factors were the independent variable conceptualized by the organizational culture, (Teamwork, Training and Development, Reward and Recognition and Communication.), dependent variable in this study, is conceptualized.

Independent variables: Independent variables are defined as a characteristic that manipulate to identify a particular factor. Independent variables are also known as factor or prediction variable. The fact about the independent variable is that the participants of the experiment do not change it. Only the researchers who are conducting the experiment are allowed to control and change it. Multiple levels can arise in an experiment due to independent variables. Having at least two levels in an experiment is necessary. In any experiment, there must be at least one independent variable. It is advisable to have at most two independent variables in an experiment. This is because independent variables can start interacting with each other, giving rise to complex behaviour. For example, if we have two independent variables, the two variables will interact with each other and produce different results than expected. Hence, if the number of independent variables is large, it gets difficult to reach the conclusion.

Dependent variables: Dependent Variables are the second type of variables that are measured using independent variables. Dependent variables answer the question: "What is it that we are testing?" And "What is the measured response to various levels of the independent variable?"

Dependent variables are the result of the participants' actions and can be altered as the outcome of the participants' actions. The number of dependent variables in an experiment should be more to get stronger and concrete results.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research approach

The study mainly focused on the effect of the organization culture on employee performance in Horizon Addis Tire. The study will employ quantitative research approach. According to Creswell (2021) quantitative research approach helps researcher to test relationship between variables. The researcher preferred this approach because it will provide relevant data and it is the best approach to meet the research objective because it involves collecting and analysing quantifiable data and apples statistical test. Quantitative approach helps researchers to test relationships between variables (Creswell, 2012). The researcher believes that this kind of research approach will provide relevant data about the research topic, and supportive to meet the research objective since it can involves collecting and analysing quantifiable data and applying statistical tests.

3.2 Research design

A research design is a set of methods and procedures for collection, measurement and analysis of data; it involves a detail of the processes necessary for gathering information require to solve a problem or to explain the patterns of relationships between variables. Besides, it seeks explanations of observed phenomena, problems, or behaviour and answers to why and how types of questions. Moreover, it helps to understand the nature of the relationship between the independent and dependent variables.

The research design employed is exploratory research design, due to its relevance exploring how organizational cultural dimensions affect employees' performance. Regression and correlation analysis were employed to reveal the relationship between dependent variable (employees' performance) and the independent variables (organizational cultural dimensions).

3.3 Sampling design

Population

The target population of the study is all the employees of Horizon Addis Tire Manufacturing PLC. Based on the data obtained from HRM department, there are 752 employees in the company when as of in May, 2022.

Sample size

Yamane (1967) suggested the following formula to determine appropriate sample size if the population is finite and sample techniques is systematic random sampling. Accordingly:

$$n= \frac{N}{(1+Ne^{2)}}$$ Where:

N = is the total population

n = is the sample from the population

e = is the error term, which is 5% (i.e. at 95% confidence interval)

Hence, $n= \frac{752}{(1+752x\ 0.05^{2)}} = 262$

Sampling technique

In order to represent all the group department, the researcher employed systematic sampling technique by arranging in department wise of commercial, finance, human resource, product industrialization & quality assurance, plant engineering and production department then list A-Z in each department, respondents will be selected for the questionnaires survey through draw systematic sampling technique.

3.4 Sources of data

The researcher will use both primary and secondary data sources to conduct the assessment. In order to realize the target, the study will employ well-designed questionnaire as best instrument. The questionnaire will be adopted from different sources which found to be appropriate for the study.

The questionnaire method as instrument of data collection is used because it provides wider coverage to the sample and also facilitates collection of a large amount of data.

Primary Data

The primary data is collected through distributing self-administered questionnaire to target respondents. The primary source of data will comprise of the relevant information to be gathered from employees of the organization by well-preparing questionnaire in the area.

Secondary Data

The secondary data sources are gathered from the existing documents publication, books and other relevant materials. The Researcher will try to assess and analyse all other sources of secondary data as evidence to support the findings of this study.

3.5 Data analysis method

After administering and gathering the primary data and get back responses from the total sampled employees, data is put into SPSS, where Descriptive statistic, Correlation Analysis and Regression Analysis are applied to find out the effect of organizational culture on performance of employees. The research used tables, graphs and figures to present the collected data. The data analysis made by using descriptive, correlation and statistical regression.

Descriptive statistics such as frequencies, percentages, means and standard deviations are used to summarize and present the data. Also, tables used to increase understanding and facilitate easy comparison of the data collected from the survey. Correlation analysis showed that the relationship between dependent variable and other components in the study if the correlations between variables with regard to statistical regression (particularly multiple regression) used to examine the significance contribution of each independent variable to the dependent variable (organizational performance). Lastly major findings are interpreted based on the result.

3.6 Validity and reliability test

Validity and reliability of the measures need to be assessed before using the instrument of data Collection (Hair 2003). Validity concerns whether an instrument can accurately measure, while reliability pertains to the consistency in measurement.

Due to the nature of the questionnaire construct, as varying ways were applied for measuring the different variables considered. In this research, the researcher used questionnaire that their validity and reliability are checked according to the specific topic. The researcher tests the reliability using Cronbach's Alpha (α) which is an internal consistency test that measures the degree to which the items or measurements consistently measures the underlying construct. Reliability analysis is used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study Cronbach's alpha is used as it is the most common measure of reliability.

3.7 Ethical considerations

The researcher observes the principles of ethical issues like confidentially and dignity of the participants, integrity, on no account plagiarism, and never fabricating and destroying data. The research takes at most precaution before undertaking the research and informs the participants in the study about the objectives of the study, and consciously considers ethical issues in seeking consent, avoiding deception, `maintaining confidentiality, respecting the privacy, and protecting the anonymity of all respondents. A researcher considers these points because the law of ethics on research condemns conducting a research without the consensus of the respondents for the above listed reasons.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

It is recalled that the general objective of this research is to explore the effects of organizational culture on employee performance in the case of Horizon Addis Tire. Therefore, the overall effort was to attain this objective, and answer questions formulated in chapter one, along the lines of scientifically valid research procedure. The results findings are presented in frequency tables and percentages are used to summarize the demographic information of respondents. In order to put numerically found result of the study in understandable way, the study further uses descriptive statistic method of data and result summarization or presentation. Descriptive statistics; Mean, Standard deviation and inferential statistics; Correlation and Multiple regressions of the respondents' scores on all the terms are used in order to assess the factors that affect employee performance.

This chapter analyses the findings and results from the data collected. The results are divided into four major subsections that include; Demographic Information of respondents, reliability test, correlation among variables, and multiple linear regressions.

4.1 Response rate

Response rate is the total number of respondents who participated in this study. The researcher distributed a total of 262 questionnaires to the target respondents out of the total population of 752 (total number of employees at Horizon Addis tire). From this total questionnaires distributed only 246 questionnaires were returned, 10 of them were rejected due to wrongly filled or invalid filling, and the remaining 16 were not returned from the respondents. In general, this study was analysed based on the correctly filled and collected 236 questionnaires that is 90.08% response rate.

Table 4-1 Respondents rate

Description	Respondents
Target population	262
Questionnaire Distributed	262
Questionnaire Returned	246

Questionnaire Returned and valid for use	236
Response Rate (%) based on validity for use	90.08%

Source: own survey of 2022

4.2 Demographic profile of respondents

Table 4-2 Respondents profile

		Frequency	Percent	Valid Percent	Cumulative Percent
Sex	Female	28	11.9	11.9	11.9
	Male	208	88.1	88.1	100.0
Age	20-30	82	34.8	34.8	34.8
	31-40	95	40.3	40.3	75.1
	41-50	36	15.3	15.3	90.4
	Above 50	23	10.8	9.7	100
Level of Education	Certificate	57	24.2	24.2	24.2
	Diploma	87	36.9	36.9	61.1
	BA/BSC	83	35.2	35.2	96.3
	MA/MSC	9	3.8	3.8	100.0
Year of Services	0-5	90	38.1	38.1	38.1
	6-10	83	35.2	35.2	73.3
	11-20	30	12.7	12.7	86
	21-25	26	11.0	11.0	97.0
	Above 30	7	3.0	3.0	100.0

Source: own survey of 2022

The above table shows that about demographic profile distribution of the respondents based on the table 4.3 the sex distribution was 28(11.9%) females and about 28(88.1%) of them are males. It implies that the majority of employees working at Horizon Addis Tire are males. And the age-group composition of the sampled employees was distributed as from 20 - 30 constitutes

82(34.8%), from 31-40 95(40.3%), from 41-50 constitutes 36(15.3%), and the age-group above 50 were 23(10.8%). That is, the majority of respondents, employee of the Horizon Addis Tire are found in the age- group 20-30. According to the above table, the Educational level distribution of the targeted sampled employees was classified as Certificate contains 57 (24.2%), Diploma 87(39.6%), BA/MSc Degree 83(35.24%), and the remaining 9(3.8%) were MA/MSc Degree holders. This indicates that the majority of respondents are Diploma holders followed BA/BSc Degree holders. Regarding to year of service in the organization, 90(38.1%) have working experience of 0-5 years, 83(35.2%) 6-10 years of experience, 30(12.7%) 11-20 years of experience, 26(11%) 21-25 years of experience and the remaining 7(3%) have working experience of more than 30 years. From this, one can observe that the majority of employees' respondents 173(73.3) have up to 10 years of working experience.

4.3 Reliability study

Table 4-3 Reliability statistics

Cronbach's Alpha	**N of Items**
0.881	**.7**

Source: own survey, SPSS V23, 2022

Based on the reliability test shown above Cronbach's alpha of constructs is >0.7 which is 0.881 and it indicates that the reliability of the study is internally consistent and reliable.

The reliability of a measure concerns its ability to produce similar results when repeated measurements are made under identical conditions. If there is more variability, the less reliable is the measure (Bordens and Abbott, 2011). If, on testing and retesting, the questionnaire produces highly similar results, it is a reliable instrument. In contrast, if the responses vary widely, the instrument is not reliable (Rogers, 1995).

The most common technique used in literature to assess reliability is Cronbach's alpha. Kline (1999) as cited by Field (2005) notes although the generally accepted value of .8 is appropriate for cognitive tests such as intelligence tests, for ability tests a cut-off point of .7 is more suitable. Further notes, when dealing with psychological constructs, values below even .7 can realistically be expected because of the diversity of the constructs being measured.

Reliability refers to the extent to which the data collection techniques and procedures yields consistent findings Easter by smith, et al., (2008). So reliability is when a measure gives the same outcome, under the same circumstances even when it is measured at different points in time. For this paper, measure of reliability used is Cronbach alpha. Cronbach alpha is a test of reliability technique that requires only a single test administration to provide a unique estimate of the reliability for a given test. Cronbach alpha reliability coefficient normally, according to George and Mallery (2003:231) provide the following rule of thumb.

Coefficient the Cronbach's alpha

>.9 excellent, >.8 good, >.7 acceptable, >.6 questionable, >.5 poor and <.5 unacceptable.

Table 4-3 Mean of individual constructs descriptive statistics

	N	Mean	Std. Deviation
Teamwork (TMW)	236	3.5668	**.56881**
Training and Development (TD)	236	3.5841	**.62354**
Reward and Recognition (RR)	236	3.6209	**.56473**
Communication(COM)	236	3.7251	**.66697**
Employee Performance (EP)	236	3.6932	**.55797**
Valid N (list wise)	**236**		

Source: own survey, SPSS V23, 2022

The above table shows that the Descriptive Statistics result of SPSS V23 on which every construct scores above 3, the mean score, indicates above the midpoint of mean score.

As a result, the employees of Horizon Addis Tyre believed that Organizational culture has an effect on their performance. If we look each one by one, Communication has the highest mean score which is 3.7 with Std. Deviation 0.67. It implies that the communication cultural dimension of the organization has great effect on employees' performance, followed by reward and recognition which has the mean score of 3.6 with Std. deviation 0.56. From the result of the above table, teamwork and training and development scores relatively the lowest mean and Std. deviation of 3.57, 3.58 and 0.57, 0.6 respectively.

According to the above table (table3-4), Employees Performance has scored the mean of 3.69 with Std. deviation of 0.56, which indicates that the employees' performance has highly affected/impacted by the organizational culture of Horizon Addis Tire.

As can be seen from table 3-4 above, all constructs have a Std. Deviation below 1.00, implying the variation of the respondents' ideas on the issue doesn't differ much from each. According to the above table, Employees Performance has scored the mean of 3.69 with Std. deviation of 0.56, which indicates that the employees' performance has highly affected/impacted by the organizational culture of Horizon Addis Tire.

4.4 Correlation analysis

Table 4-6 Pearson's correlations

		TMW	**TD**	**RR**	**COM**		**EP**
TMW	Pearson Correlation	1	.435**	.463**	.341**		**.337****
	Sig. (2-tailed)		.000	.000	.000		**.000**
	N	236	236	236	236		**236**
TD	Pearson Correlation		1	.479**	.302**		**.354****
	Sig. (2-tailed)			.000	.000		**.000**
	N		236	236	236		**236**
RR	Pearson Correlation			1	.329**		**.324****
	Sig. (2-tailed)				.000		**.000**
	N			236	236		**236**
COM	Pearson Correlation				1		**.322****
	Sig. (2-tailed)						**.000**
	N				236		**236**

EP	Pearson Correlation						**1**
	Sig. (2-tailed)						
	N						**236**
	Sig. (2-tailed)						
	N						
	****. Correlation is significant at the 0.01 level (2-tailed).**						

Source : own survey, SPSS v23, 2022

Key: Teamwork (TMW), Reward and Recognition (RR), Employee Performance (EP), Training and Development (TD), Communication (COM)

Correlation determines whether and how strong pairs of variables are related. The correlation analysis can lead to greater understanding of the data. To know whether there is a correlation between the variables and what the level of the linear relationship between the variables, the Pearson R correlation coefficient was examined. This coefficient indicates the direction and the strength of a linear relationship between two variables. The Pearson's correlation coefficient (r) can vary from -1 to +1. The larger the value implies the stronger the relationship. A coefficient of +1 indicates a perfect positive relationship and a coefficient of -1 indicates a perfect negative relationship. 0 indicates that there is no linear relationship between the variables (Field, 2009).

The values for interpretation according to statistics are (Eachron, 1982):

>0.00 to 0.20; < -0.00 to –0.20 implies Very weak or very low

> 0.20 to 0.40; < -0.20 to –0.40 implies Weak or low

> 0.40 to 0.60; < -0.40 to –0.60 implies Moderate

> 0.60 to 0.80; < -0.60 to –0.80 implies Strong or high

>0.80 to 1.0; < -0.80 to –1.0 implies Very high or very strong

Correlation analysis shows that the relationship between dependent variables and other components in the study if the correlations between variables ranges from 0.10>=R<=+0.20 is very weak, 0.20<R<0.35 weak but to be considered, from 0.35<=R<0.50 is fair correlation and

0.50<=R<0.70 is strongly high considerable correlation and the last ranges from 0.70<=R<1.00 very strongly considerable correlations (Senthilnatham, 2019).

As can be seen form table 4-6 above , the dependent variable Employee performance has a correlation ranging from positively considerable correlation with TD (r, 0.35), TMW (r, 0.34), RR (r, 0.324), and COM (r, 0.322) respectively.

From this, we can infer that the employees of Horizon Addis Tyre believe that their performance is strongly influenced by the company's training and development practice, it teamwork philosophy, its rewarded and recognition practices as well as the effectiveness and integration of communication within the organization and between employees and management of the company. .

4.5 Diagnostics in regression

For this study, multiple regression analysis was conducted to inquire the overall effects of organizational culture on employees' performance. To conduct a multiple regression analysis, three different key assumptions are identified and applied in the study. These assumptions include: normality test, multi-collinearity analysis, homoscedasticity and autocorrelation**.**

4.5.1 Normality

Normality test is a statistical process used to determine if a sample or any group of data fits a standard normal distribution. A normality test can be performed mathematically or graphically.

Normality tests are used to determine if a data set is well-modelled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed.

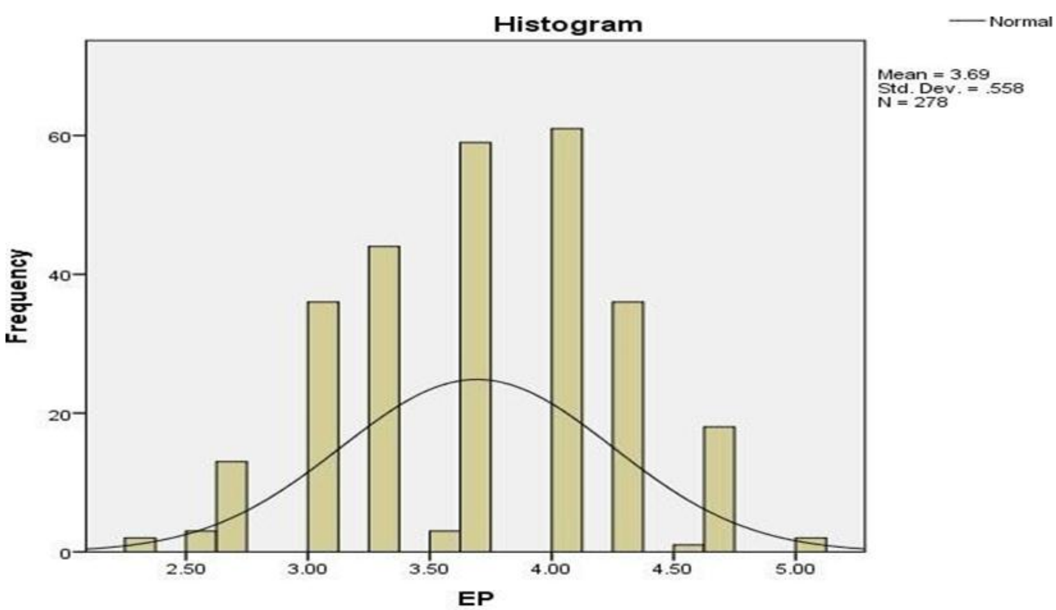
The tests are form of model selection, and can be interpreted in several ways, depending on one's interpretations of probability:

Multiple regressions assume that variables have normal distributions (Darlington, 1968). This implies that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). This assumption can be tested by looking at the P-P plot for the model together with above histogram of the standardized residuals. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed.

The normality of this study is checked and as a result the histogram is normal and the P-P Plot of the regression indicates that the dots are closed to the line. Hence the residuals are normally distributed as shown below.

The normal probability plot is a graphical technique for assessing whether or not a data set is approximately normally distributed. (Chambers et al., 1983) The data are plotted against a theoretical normal distribution in such a way that the points should form an approximate straight line. Departures from this straight line indicate departures from normality.

Based on the result of the histogram the P-P plot of regression indicated that the points have formed a straight and close line hence the residuals are normally distributed as shown below.



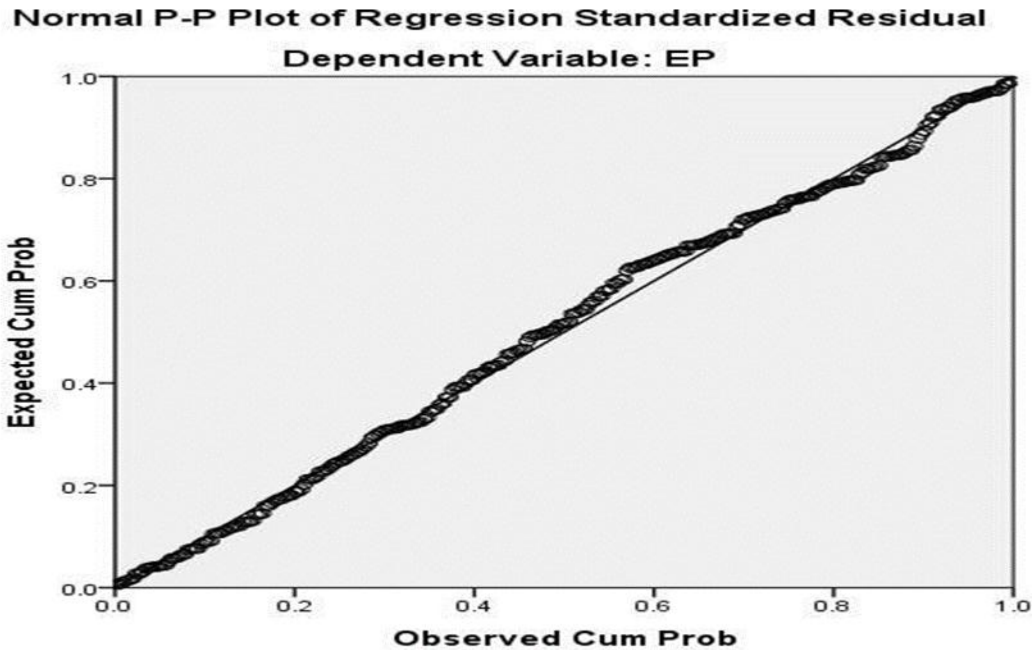


Figure 4-2 Histogram and p-p plot of standardized residuals

Source:- own survey, SPSS V23, 2022

In the above figure data distribution looks normal and in the P-P plots also the dots are reasonably closer to the normal line. The combination of both inspections support that the residuals are normally distributed

4.5.2 Multi collinearity analysis

Multi collinearity means a state of very high inter-correlation or inter-associations among the independent variables. It is therefore a type of disturbance in the data, and if present in the data the statistical inferences made about the data may not be reliable.

Multi collinearity generally occurs when there are high correlations between two or more predictor variables. In other words, one predictor variable can be used to predict the other. This creates redundant information (Kothari, 2004)

Strong relationship between explanatory variables is a problem of multi collinearity and not acceptable for ordinary list square regression analyses.

Variance-inflation factor (VIF) has also been checked and values are found smaller, which supports that multi collinearity is not a problem. In this study all VIF were less than 10 got acceptances as per (Hair, 2010). Moreover, tolerance statistics in regression analysis helps to detect co-linearity problem. Tolerance value runs from 0 to 1 and values closer to 1 indicates multi collinearity problem (Keith, 2006).

Table 4-7 Collinearity tests

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**	**Collinearity Statistics**	
	B	Std. Error	Beta			Tolerance	**VIF**
1 (Constant)	1.314	.246		5.338	.000		
TMW	0.384	.076	0.307	5.059	.000	0.726	**1.377**
TD	0.269	0.058	0.282	4.651	.000	0.722	**1.397**
RR	0.134	0.083	0.252	4.681	.000	0.781	**1.389**
COM	0.236	.076	0.367	5.122	000	0.715	**1.308**

Source: Own Survey SPSS, V23, 2021

a. Dependent variable: EP

When we see the above table, the tolerance value is closer to 1, which indicates that in this research there is no multi collinearity problem. And the Variance-Inflation Factor (VIF) is much smaller and indicates that in this case multi collinearity is not a problem.

As it has been stated in the first chapter, one of the objectives of this study is to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent) variable influence on criterion (dependent) variable can be investigated via standardized Beta coefficient.

As can be seen form table 4-7 above, communication is the most contributing organisational cultural dimensions influencing employees' performance with Beta value of 0.367 followed by team work with Beta value of 0.307. The other organizational cultural dimensions in decreasing order are reward and recognition and training and development with Beta value of 0.282 and 0.252 respectively.

4.5.3 Homoscedasticity

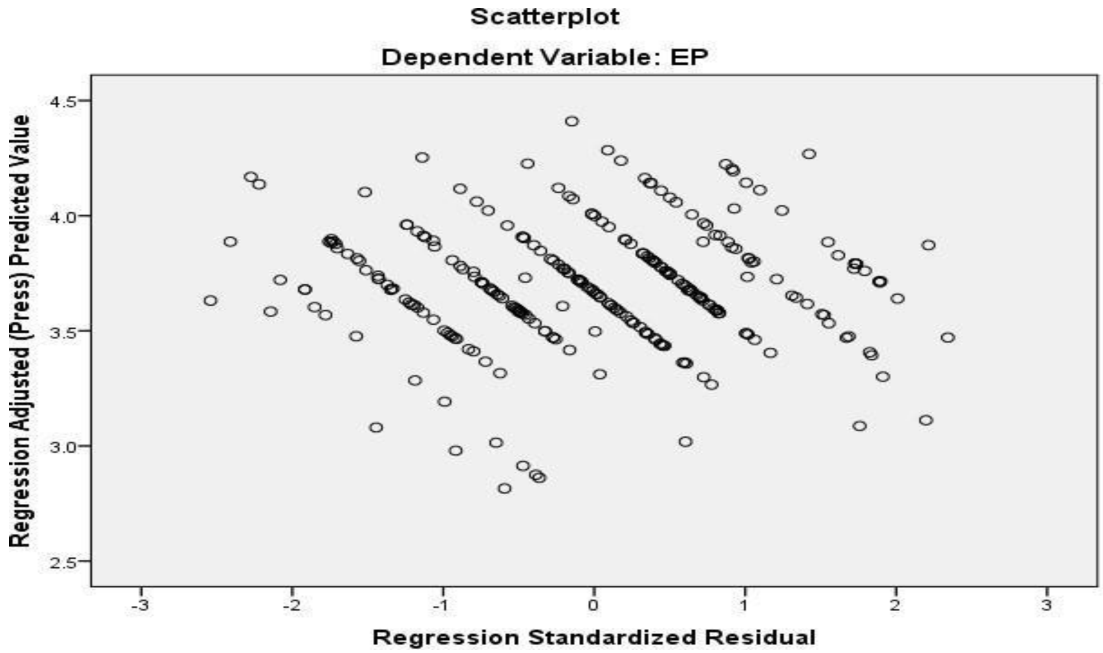
Homoscedasticity means that the variance around the regression line is the same for all values of the predictor variable (X). The plot shows a violation of this assumption. For the lower values on the X-axis, the points are all very near the regression line. For the higher values on the X-axis, there is much more variability around the regression line.

This assumption requires even distribution of residual terms or homogeneity of error terms throughout the data. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborn & Waters, 2002).

If the error terms are distributed randomly with no certain pattern, then the problem is not detrimental for analyses.

This part shows the homogeneity of the distributed error terms on the data and the residuals required to be evenly distributed. So, as we can see below the plots of standardized residuals by the regression standardized value are distributed evenly, not randomly.

Figure 4.3 Scatterplot of Standardized Residuals



4.5.4 Autocorrelation

Autocorrelation is a mathematical representation of the degree of similarity between a given time series and a lagged version of itself over successive time intervals. It is the same as calculating the correlation between two different time series, except autocorrelation uses the same time series twice: once in its original form and once lagged one or more time periods (Kothari, 2004).

Table 4-8 Durbin Watson statistics

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	**Durbin-Watson**
1	**.456**[a]	**.208**	**.196**	**.50029**	**1.944**

a. Predictors: (Constant), COM, TD, RR, TMW

b. Dependent variables: EP

Source: - own survey, SPSS V23, 2022

It is an indicator of the independence of errors, the Durbin Watson value needs to be close to 2. As shown in the above table, Durbin Watson value is 1.94 which implies errors are independent of one another. Autocorrelation or independence of errors refers to the assumption that errors are independent of one another, implying that subjects are responding independently (Stevens, 2009). Durbin-Watson statistic can be used to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For this assumption to be met, the DW value needs to be close to 2. Values below 1 and above 3 are problematic and causes for concern.

4.6 Regression analysis and hypothesis testing

H1: Teamwork- culture is positively related to employees' performance in the organization

Table 4-9 Relationship between teamwork culture and Employee performance ANOVA

Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1 Regression	9.821	1	9.821	35.472	**.000**[b]
Residual	76.416	276	.277		
Total	86.237	**277**			

a. Dependent variable: EP

b. Predictors: (Constant), TMW

Coefficients

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	
	B	Std. Error	Beta		**Sig.**
1 (Constant)	2.512	.201		12.516	**.000**
TMW	**.331**	**.056**	.337	**5.956**	**.000**

a. Dependent variable: EP

Source: own-survey, SPSS V23, 2022

According to Richard (1991), teamwork is a group of two or more persons who share their work and responsibilities in order to carry out a particular goal. Cook et al, (1998) stated that many scholars in the world are agreed that organizations may achieve goals or objectives through individuals, but their major accomplishment remain in the goals achieved by teamwork. According to Gallie et al. (2009), teamwork encourages employees to use their knowledge, skills, and capabilities and cooperate with their co-workers in order to maximize the performance of overall organization. Manzoor et al., 2011 stated that teamwork has significant positive effect on employee performance Janet (2013) also concluded that teamwork has significant positive effect on employee performance.

As we can see the result of regression analysis, teamwork culture has positively and significantly related with employees' performance in the organization (Standardized $\beta=0.34$, $p<0.05$). So as a result one percent increase in teamwork culture, implies 34% increase on employee performance, it means that if there is a good teamwork culture in the organizations, there would be a good employee job performance and if not, it affects negatively to their performance.

H2: There is a high relationship between Reward & recognition and employees'' performance in the organization

Table 4-10 Relationship between Reward & Recognition and Employee performance Coefficients

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	
	B	Std. Error	Beta		**Sig.**
1(Constant)	2.534	.206		12.292	**.000**
RR	**.320**	**.056**	.324	**5.689**	**.000**

a. Dependent variable: EP

Source: Own survey, SPSS V23, 2022

As a result of regression analysis, reward and recognition has positively and significantly related with the employees' performance in the organization (Standardized $\beta=0.32$, $p<0.05$). One percent increase in reward & recognition to employees, 32% increase on their job performance. This implies that if there are considerable compensations, reward and recognitions to employees for their achievements and well performing tasks, it is an indicator to have employees' good performance in their job performance.

H3: There is positive relationship between training and development and employee's' performance in the organization

Table 4-11 Relationship between Training & Development and employee performance Coefficients

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	
	B	Std. Error	Beta		**Sig.**
1(Constant)	2.558	.183		13.960	**.000**
TD	**.317**	**.050**	.354	**6.285**	**.000**

a. Dependent variable: EP

Source: Own survey, SPSS v23, 2022

As we can see the result of regression analysis, training and development has positively and significantly related with the employees' performance in the organization (Standardized $\beta=0.35$, $p<0.05$). This indicates that training and development programs provided for employees have direct and positive effects on employees to have improved knowledge and skills towards their task and enhance their performance as a result.

H4: There is a high relationship between organization's communication culture and employees' performance in the organization.

Table 4-12 Relationship between Communication and employee performance Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	
	B	Std. Error	Beta		Sig.
1(Constant)	2.691	.180		14.913	**.000**
COM	**.269**	**.048**	.322	**5.644**	**.000**

a. Dependent variable: EP

Source: own survey, SPSS V23, 2022

As the above table indicates, communication of the organization has a positive and statistically significant relationship with employee performance (Standardized β=0.32, $p<0.05$). This implies that there is a good and timely formal and structural and informal communication within the organization. This makes employees be aware of any news and adjust themselves accordingly and that improves their job performance.

4.7 Summary of hypothesis

Table 13 Hypotheses and results

Hypotheses	*Results*
H1: Teamwork Culture is positively related to Employees' performance in the Organization.	*Accepted*
H2: There is a high relationship between Reward and Recognition and employees' Performance in the organization.	*Accepted*
H3: There is significant positive relationship between Training and Development and Employees' performance in the organization.	*Accepted*
H4: There is a high relationship between organization's Communication culture and employees' performance in the organization.	*Accepted*

Discussion

Based on the statistical analysis that has been collected as primary data for the study shown in the above tables 4-9, 4-10, 4-11 & 4-12, the specified dimensions of organizational culture have a positive statistically significant relationship with employees' performance. The first organization culture dimension that has been tested, teamwork is positively and significantly related with employees' performance in the organization (Standardized $\beta=0.34$, $p<0.05$). That is an increase in one percent in team work, induces 34% increase on employee performance. From this we can infer if there is a good teamwork culture in the organizations, there would be a good employee job performance and if not, it affects negatively to their performance. This is also supported by different literatures as Gallie et al. (2009), teamwork encourages employees to use their knowledge, skills, and capabilities and cooperate with their co-workers in order to maximize the performance of overall organization.

The second dimension tested reward and recognition is also positively and significantly related with the employees' performance in the organization (Standardized $\beta=0.32$, $p<0.05$). Similarly an increase one per cent of reward and recognition brings a 32% increase in the employee's performance.

The third dimension training and development was tested. Training and development culture of the organization has a positive and significant relationship with the employees' performance in the organization (Standardized $\beta=0.35$, $p<0.05$). Here, we have an increase one per cent of training and development produces a 35% increase in the employee's performance.

The last dimension tested is communication. Communication culture of the organization has a positive and significant relationship with the employees' performance in the organization (Standardized $\beta=0.32$, $p<0.05$). That is an increase in one percent in communication, induces 32% increase on employees' performance. Literatures have stated as Gray and Laidlaw (2002), effective communication between leaders and employees is critically important for the potential success of a company. Leaders need to enact strategies to improve communication that could lead to positive work consequences Improvements in supervisor- subordinate communication will assist organizations toward the goal of managing diversity by promoting equality and integration in the workplace. Thus the hypotheses are all supported by the literatures.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMNEDATIONS

This chapter deals with the summary of major findings, conclusions and recommendations.

5.1 Summary findings

Based on the survey questionnaire responses from employees of Horizon Addis Tire and the analysis made so far, the following key findings are listed below;

- Two hundred thirty-six responses were valid for analysis, which represented 90.08% response rate. The numbers of male respondents in the sample population are 34.9% and the female number is 65.1 %. It implies that the majority of employees are female. And it is largely dominated by the age group of 20-30 (51.8%).
- Based on the results of SPSS V23, the mean of the constructs indicates that all variables scored above the midpoint and which it implies that the employees of Horizon Addis Tire believed that the effect of organizational culture (consists in terms of four) on their job performance is very high and direct.

- The correlation between variables has also been examined and it implied that the correlation between variables is positive and ranging from weak but considerable to moderate (r, 0.322 to 0.35), it is confirmed that there is a positive relationship between variables. When we see the regression results the hypotheses formulated earlier have been tested and according to the first hypothesis, organizational culture and employee performance has positively related and statistically significant (Standardized $\beta=0.45$, $p<0.01$). The Pearson correlation coefficient reveals that team work (r=.337**) training and development (r=.354**); reward and recognition (r=.324**); communication (r=.322**) and employees' performance (r=1**) all the independent variables have statistically significant positive correlation with organizational culture supporting all the four alternative hypotheses of the research. The strength of correlation is highest for Quality followed by training and development, team work, reward and recognition and communication. The correlation is also significant at .01 level (2-tailed). From the multiple regression result, estimate of regression weight shows that all the independent variables team work (β=.337.), training and development (β=.354), reward and recognition (β=0.324) and communication (β=0.322) respectively predict employee performance. Effect of organizational culture is the most dominant factor to influence employee performance in the case of Horizon Addis Tire.

5.2 Conclusions

Based on the above findings, in this study the following conclusions have been drawn. The very purpose of this study was to investigate the impact of organizational culture on employee performance based on different terms of organizational culture and to investigate the relationship between organizational culture (consisting of the above four) and employees' job performance. So, from the results of the findings, specific conclusions have been formulated as follows:

- ❖ The longer the Tire Company keeps a good organizational culture, the greater employee performance for the company. Accordingly, the aim of this research was to examine the major factors that effect of organizational culture in the case of Horizon Addis Tire. Based on the conceptual framework and the measuring instrument employed there were four factors which were identified and measured.
- ❖ From the findings above we can also conclude that strong organizational culture is developed in Horizon Addis Tire due to high attention for changing the culture of the organization and there is also high attention to improve the employee's performance in the organization. That is why the social relationship between employees is high in the organization and most employees are more interested to stay in the organization for the rest of their time. In addition, there was high degree of meeting the goals of the organization because of the team work, training and development, reward and recognition, communication collective thinking developed. Moreover, due to the high team spirit between employees they are committed to work hard in the organization, accomplish tasks as well as satisfied by their organizational culture. From the correlation analysis it is concluded that the relationship between variables in this case considered as positive and more related with each other's which indicates that all the terms of the organizational culture with employee performance factor have positive effect and affect each other in the same direction.
- ❖ From the summary of findings above organizational, organizational culture is core for improving employees' performance and have an ability to change the working environment conducive for success of the organizational. Each organization has its own

culture that guides the success, makes difference from others, and holds them together to facilitate its goals accomplishments.

- ❖ This study shows that there is a positive relation among organizational culture and employee's job performance. This research demonstrates that everyone in the organization comes from diverse culture and they try to tune their norms and values with organization's norms and values. When an employee accepts the culture of organization then he/she performs well. According to Gallagher (2008), positive employee performance can cause the profit of an organization
- ❖ Generally, the study reveals that organizational culture has a positive effect on employee Performance at Horizon Addis Tire.

5.3 Recommendations

Based on the conclusions above, since the organizational culture consists of the four dimensions (teamwork, training and development, reward and recognition and communication), the researcher needed to recommend in each aspect as follows:

- ❖ Since teamwork has a significant effect on employees' performance, Horizon Addis Tire needs to create grounds for employees to cooperate each other to improve their skills and performance by cross knowledge sharing, and create inter and intra- institution projects to be accomplished by group efforts to improve interpersonal relationship between employees of the company.
- ❖ Building organizational culture in the organizations is considered as plan to have a strong and effective human capital in the organization. An organization is desired have a planned and organized on the job and off the job training and development programs in order to enhance the skills and knowledge of employees. The performance of employees who have taken a training regarding their tasks and the performance of employees who haven't taken will not be the same. So, it is recommended Horizon Addis Tire to have scheduled and planned training and development programs provided for employees based on their job tasks and line of responsibility.
- ❖ Regarding to reward and recognition, according to this study and other prior findings, reward and recognition has a great impact on increasing or discouraging the commitments of employees to the organization. So, Horizon Addis Tire has fair and

considerable reward and compensation and other benefits to its employees to increase their economic security. And the top management is recommended to prepare moral-building meetings to appreciate and acknowledge the employees who have been performed well in their responsibility and it also initiates others to perform as well, needs to prepare recreational workshops off the job to refresh the workload environments.

- Communication has also a significant impact on employee performance. So, Horizon Addis Tire needs to build an effective and SMART communication networks and outlooks to share every information in the organization. There should be platforms to immediate and timely multidimensional information flow channels in the company to help employees communicate each other as well as with the top management. It is very important to the top management to get relevant feedbacks from employees to make a good managerial decision and to make a new organizational change if necessary in the company.
- Further researches need to be conducted on organizational culture with different dimensions like the top management commitment, employee-manager relationship, accountability, consistency of rules and regulations etc. in relation with employee performance and organizational performance as a result.

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APPENDEX

ABABA UNIVERSITY SCHOOL OF COMMERCE MBL DISTANCE EDUCATION PROGRAM

Dear Respondents,

First, I would like to thank you for your invaluable cooperation in filling this questionnaire which is prepared for the partial fulfillment of the requirements of Master of Arts in Business leadership. The purpose of this questionnaire is to get relevant information on the assessment of "The Effect of Organizational Culture on Employee performance in Horizon Addis Tire".

Your kind and honest responses are very much important for the success of this study. Hence, the researcher cordially requests you to give the required information. Thus, you are expected to be confidential, honest and genuine to fill this questionnaire according to your experience and knowledge.

1. **Guidelines**

- No need to write your name.
- Please try to address and respond all the questions provided.
  Put × or mark √ for your choice in the box provided.

2. **General information about the respondents**

2.1 **Sex:** Male ☐ Female ☐

2.2. **Age** 20-30 ☐ 31-40 ☐ 41-50 ☐ 50 & above ☐

1.3. **Level of education:** ☐ Certificate ☐ Diploma ☐ Degree ☐ Masters

1.4. **Year of service in the organization:** 0 to5 ☐ 6 to 10 ☐ 11 to 20 ☐ 21 to 30 ☐ 30 & above ☐

3. Organizational Culture

In this questionnaire you need to put √ or × mark in the space provided parallel with numbers 1 to 5 which are corresponding with Strongly Disagree, Disagree, Neutral, Agree, and strongly agree respectively.

	ITMES	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1.	**Teamwork**					
1	Teamwork is a major focus in our organization and has a significant impact on our performance.					
2	The company creates conducive environment for Employees to cooperate with each other's.					
3	Our teamwork culture helps us to perform well in Our tasks.					
2.	**Training and Development**					
4	Our organization has planned training programs to develop its human resource.					
5	When we have taken a training regarding with our responsibility, we have accomplished our tasks better than before.					
6	Training and development programs we are provided by our organization enhance our skills and knowledge as well as performance.					
3.	**Reward and Recognition**					
7	A manager recognizes employees who perform well in their tasks.					
8	The company management holds morale building meetings to motivate and increase the employees' loyalty and commitment.					

9	The contribution of the employees to the organizational success gets a due attention and highly valued by the management.					
10	Our effectiveness and performance is highly influenced by rewards and compensation we get from the organization					
4.	**Communications**					
11	The communication between the employees and the management in our organization helps us to have effective integration and leads to effectiveness in our performance.					
12	There is immediate and effective communication within the organization if there is any news and it creates employee commitment and involvement towards the goals and objectives of the organization					
5.	**Employee's performance**					
13	Our performance is considered as an integral part of the growth process of the organization.					
14	There is effective human resource system to support and create positive impact on our task performance.					
15	Employee performance with measurement of transactional efficiency and effectiveness towards organizational goals is good in our organization.					

Thank you for your cooperation!!!