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EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE:

THE CASE OF ADDIS ABABA UNIVERSITY SIDIST KILO CAMPUSES

A THESIS SUMMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS MBA PROGRAM IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN BUSINESS ADMINISTRATION IN MANAGEMENT

BY

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ADDIS ABABA

ETHIOPIA

2020

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Declaration

I, Kininet Molla Ligabaw, hereby declare that this work entitled as Effect of organizational Culture on Employee Performance is my own original work and has not been submitted for other degree in other university and it is offered to acquire a degree of master of Business Administration in management at Addis Ababa University.

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Statement of Certification

This is to certify that the thesis prepared by Kininet Molla Ligabaw entitled: *Effect of Organizational Culture on Employee Performance* and submitted in partial fulfillment of the requirements for the degree of Master of Business Administration Specialization in Management compiles with the regulations of the university and meets the accepted standards with respect to originality and quality.

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.....

Chair of Department or Graduate Program Coordinator

ACRONYMS

TMW	- Teamwork
EP	- Employee Performance
COM	- Communication
TD	- Training and Development
RR	- Reward and Recognition
OC	- Organizational Culture
SPSS	- Statistical Package for Social Science
VIF	- Variance - Inflation Factor

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ABSTRACT

The study has been carried out to examine the effect of organizational culture on employee performance in the case of Addis Ababa University Sidist kilo campuses. The main purpose of this study is to find out the problems related to employees' performance in relation with organizational culture, Specifically, the researcher tried to examine the effects of organizational culture on employee performance directly. Here organizational culture consists four dimensions which are teamwork, training and development, reward and recognition, and communication. To collect the primary data closed ended questionnaires through five point Likert scale were prepared and distributed to the sampled employees of the AAU Sidist kilo campuses. 2535 employees were taken as target population from which 345 employees were taken as sample of the study. And SPSS V23 was used to analyze the collected data and the results were presented by using tables and figures. Already the data collected are presented and analyzed in the form of tables, figures and Descriptive statistics method of data analysis and linear regression analysis was also applied to present the major findings. The major findings which the researcher point out were, most respondents agreed upon the effects of organizational culture (consisting four dimensions indicated above) on employee performance in general. The researcher has tried to give conclusion, recommendation and possible solutions for the problems and supporting ideas for positive said on the issues.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Gibson et al (1997), defined organizational culture as the system that penetrate values, belief and norms in each organization. Organizational culture able encourage and discourage the effectiveness depend on the value characteristic, belief, and norms. Schein (1992), organizational culture is basic assumption pattern that is created, found, or developed by certain group when they adapting themselves with the external problems and internal integration work well and considered as worth, and taught to new members the correct way to realize, think, and feel the relation with the problems.

Robbins (2006), organizational culture is collective meaning system that are followed by the members that differentiate the organization to others.

Schein, (2011), stated that organizational culture is the set of shared beliefs, values, and norms that influence the way the employees think, feel, and behave in the workplace. As per Nelson & Quick, 2011 organizational culture has four functions. That includes ‘giving sense of identity to members, reinforcing organizational values, increasing the commitment, and serving as a control mechanism for shaping behavior. Leaders shape culture by what they pay attention to, how they allocate rewards, how they behave, and how they hire and fire individuals. Sometimes organizations must change their culture. Leaders can do so by helping current members to buy into a new set of values, by socializing newcomers into the organization. Kotter 2012 stated that organizational culture has the potential to augment the organizational performance, the sense of certainty about problem solving ability and employee job satisfaction. Burns & Stalker, 1961; Burt, Gabbay, Holt & Moran, 1994 stated that based on what we know about culture-performance relationships, a contingency approach seems to be a good one for leaders to adopt. If an organizational culture becomes incongruent with the changing expectations of internal and/or external stakeholders, the organization’s effectiveness can decline as has occurred with some organizations (Ernst, 2001).

The study of organizational culture has significance when it has correlation with the performance in order to improve actions (Alvesson, 1990). Barney (1986) explains that core values encourage

creativity, innovativeness, higher achievements and flexibility in firms. The most common definition of performance explains it as the degree or extent of achievement of pre-assigned goals (Shields & Brown, 2015) and each organization has to: firstly, determine measurable goals; secondly, link the abilities and competencies of the employees to these goals and; thirdly, provide the employees with sufficient resources to expect achievement of goals. Mathematically this can be described as: $Performance = (Motivation \times Employee \text{ Competence} \times Resources)$ (Griffin & Moorhead, 2011).

The individual performance improvements plans may work effectively if the organization manipulates organizational culture and commonly share such value system that encourages employee, assures openness, and promulgates transparency and fairness. Thus, decision makers aspiring to have better individuals, as well as teams' performance, must strive to establish an aspiring work culture (Cameron & Quinn, 2011). Manetje and Martins (2009) recommend researchers to analyze and understand the cultural impacts on performance before carrying out any studies, which measure organizational performances. Al-Matari and Omira (2017) carried out a study in Saudi Arabia to examine the relationship between organization culture and performance in the public sector environment and collected responses from 384 samples, their findings indicated a positive relationship between the two. Kang and Stewart (2007) also positively link conducive work culture and higher organizational, as well as individual performance. We find studies from Ouchi (1981) to Al-Matari and Omira (2017), which have studied performance vis-à-vis work cultures. Despite the fact that there exist divergent views in past research about organizational culture and employees, as well as business performance studies, but majority of researcher agree to have observed cultural impacts on performance. ((Muzaffar, 2018),

1.2 STATEMENT OF THE PROBLEM

The understanding of the relationship between employees' job performance and culture of the organization is the main research subject because it is ascertaining by different studies that individuals work performance is crucial for success of the organization, (Paschal, 2016).

There are researches conducted in Ethiopia by Addis Alemayehu (2014), entitled "Employee's perception about organizational culture and performance management practice" and by Senait Laike (2017), entitled "The Impact of Organizational Culture on Performance Management Practices" both studies are focused mainly on the effect of organizational culture and the management's performance management practice but here before measuring the organizational performance the main factor responsible for that matter which is employees' performance has to be given a due attention.

The main problem statement of this study is that; Since Ethiopia is a land of different cultures, values, believes, and norms owned nations nationalities and peoples. 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 researcher wants to examine the effect of these organizations cultures on employee's performance and how the Organizations cultures will affect the Employee's/individual's cultures in Ethiopian context and timely, 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 researcher needs to focused on the four major organizational culture dimensions which are the most factors in affecting employee performance, these four dimensions are Teamwork, Training and Development, Reward and Recognition and Communication.

Potential employees will be attracted to organizations whose cultures match their own personality, meaning that some potential job applicants won't apply due to a perceived lack of fit. In addition, organizations will select candidates based on whether their personalities fit the culture, further weeding out potential "misfits." Finally, those people who still don't fit will either be unhappy or ineffective when working in the organization, which leads to attrition (i.e., voluntary or involuntary turnover), (Jason A, Jeffery A, Michael J., 2017).

1.4 RESEARCH QUESTIONS

Based on the gaps mentioned above the following basic research questions are developed;

1. What is the effect of teamwork culture on employee performance in AAU Sidist Kilo Campuses?
2. What is the organization's reward and recognition culture affect the employees' performance in AAU Sidist Kilo Campuses?
3. what is effect of the organization's training and development programs on employees' job performance in AAU Sidist Kilo Campuses?
4. Does the communication culture of the organization affect the job performance of employees' in AAU Sidist kilo campuses?

1.5 RESEARCH OBJECTIVES

1.5.1 GENERAL OBJECTIVE

The primary objective of the study is to investigate the effect of organizational culture on employee performance of AAU Sidist kilo campuses.

1.5.2 SPECIFIC OBJECTIVES

The study has been the following specific objectives:

1. To find out the effects of teamwork culture on employees' performance in AAU Sidist kilo campuses.
2. To examine the effect of reward and recognition culture of the organization on employees' performance in AAU Sidist kilo campuses.
3. To investigate the effect of training and development programs on performance employees' in AAU Sidist Kilo Campuses.
4. To examine the effects of the communication culture of the organization on employees' performance in AAU Sidist kilo campuses.

1.6 SIGNIFICANCE OF THE STUDY

The researcher is interested in the effect of organizational culture on employee performance because it is needed that to understand the very effect of cultures of organizations for its success or failure on its reason of existence by affecting of the employee's on their task performance.

This study will enable the top management and human resource department off AAU to understand and identify how can organizational culture affecting in supports or hinder the employees'

performance as well as the organizational performance, and as a result it will enable the organization to make its culture be interesting attractive and leads its employees in a higher job performance to go the organization successful in its goals and objectives designed by improving the teamwork culture between employees, its training and development programs, its reward and recognition packages and on its communication channels.

1.7 SCOPE OF THE STUDY

This study has investigated the relationship between the two variables (organizational culture and Employee performance).

Conceptually, the study has cover the extent of effects of organizational culture on the performance of employees who are working in Addis Ababa university. And geographically, this study also has covered the colleges and institutions found in Sidist kilo main campuses including central offices and college of Business and Economics of the university. Because it is difficult to cover all other colleges and institutions of the university due to its time consuming and costly too also to manage the population size and to discover the sample size of all employees of the university.

1.8 LIMITATION OF THE STUDY

The limitations in this research are;

1. The first and the main limitation of this study was due to the corona epidemic in the world and here in our country Ethiopia, the researcher couldn't have been discovering all the targeted sampled employees.
2. As a preliminary investigation, this study focused on the impact of the organizational culture on employee performance with four dimensions and the moderating factor of human resource policy. Future studies can be conducted to identify other dimensions, mediating, or moderating variables.
3. The researcher was targeted on employees found in Sidist kilo campuses only so other colleges and institutions of the university were not included in this study.

1.9 ORGANIZATION OF THE STUDY

This study consists of five chapters, Chapter one focuses on the introduction of the study, including the background of the study, organizations background, objectives of the study and major gaps and problems observed in order to conduct this study.

Chapter two emphasizes on the existing literature of organizational culture and performance management practice. It emphasizes on the impact of cultural issues, effects of strong

organizational culture, the relationship between organizational culture and Employee Performance.

Chapter three focuses on how the research was designed and the type of methodology used to achieve the research objectives.

Chapter four covers data presentation and it shows the results of the relationship between organizational culture and Employee performance.

Chapter five summarizes the findings and develops conclusions and forwards recommendations for this study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

A literature review is a synthesis of the literature that describes what is known or has been studied regarding the particular research question or hypothesis.

2.1 THE CONCEPT OF ORGANIZATIONAL CULTURE

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 (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 behavior 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, behaviors 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 behaviors, 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).

2.2 DIMENSIONS OF ORGANIZATIONAL CULTURE

2.2.1 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 multiskilling 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).

2.2.2 TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE

Training and development is a function within Human Resources management used to fulfill the gaps between current and expected performance (Elnaga & Imran, 2013; Nassazi, 2013). According to Business Dictionary, training is an “organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill.” Training is planned and systematic activities which are focused on enhancing the level of skills, knowledge, and competency (Nassazi, 2013). It is the process of conveying essentials skills, programmed behavior, so individuals become aware of rules and procedures to guide their own behavior to accomplish their job effectively.

Training is focused on improving the skills necessary for accomplishing organizational goals (Elnaga & Imran, 2013), since it expands the efficiency of individuals, groups, and organizations (Jehanzeb & Bashir, 2013). Although the concept of development can be seen as training, gaining new abilities and skills for personal growth (Jehanzeb & Bashir, 2013), it may also be seen as a broader concept. It may be seen as the holistic, long-term growth of individuals in order to perform future roles and responsibilities (Nassazi, 2013).

2.2.2.1 Benefits of Training and Development

Employee training and development is one of the most significant motivators used to help both individuals and organizations in achieving their short-term and long-term goals and objectives. Training and development not only enhance knowledge, skills, and attitudes, but it also offers several other benefits. The following are common benefits of employee training and development, according to Nassazi (2013):

(1) It increases employees' morale, confidence, and motivations. (2) It lowers production costs because individuals are able to reduce waste. (3) It promotes a sense of security which in turn reduces turnover and absenteeism. (4) It increases employees' involvement in the change process by providing the competencies necessary to adjust to new and challenging situations. (5) It opens the doors for recognition, higher pay, and promotion. (6) It helps the organization in improving the availability and quality of its staff. It is noteworthy to remember that individuals become more productive (Bapna, Langer, Mehra, Gopal, & Gupta, 2013), because training and development programs improve individuals' skills and abilities. Even organizations offer tuition reimbursement for individuals to attend such programs (Jehanzeb & Bashir, 2013). (Joel Rodriguez, Kelley Walters, 2017).

2.2.3 REWARD AND RECOGNITION ON EMPLOYEE PERFORMANCE

2.2.3.1 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 "a pat on the back" 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 operationalized as follows:

1. A manager personally congratulating an employee for a job well done.
2. A manager writing a personal note for good performance.
3. A manager publicly recognizing an employee for good performance.
4. 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)

2.2.3.2 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).

2.2.4 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 behavior," and Rogers (1976) who argue that "the behavior 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).

2.3 EMPLOYEE PERFORMANCE

(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 fulfills 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). (J., 2017).

2.4 THE EFFECT OF STRONG ORGANIZATIONAL CULTURE

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).

2.5 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 behaviors 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 behavior, 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).

2.7 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 R^2 .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).

2.8 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. It 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 by Employee's Performance.

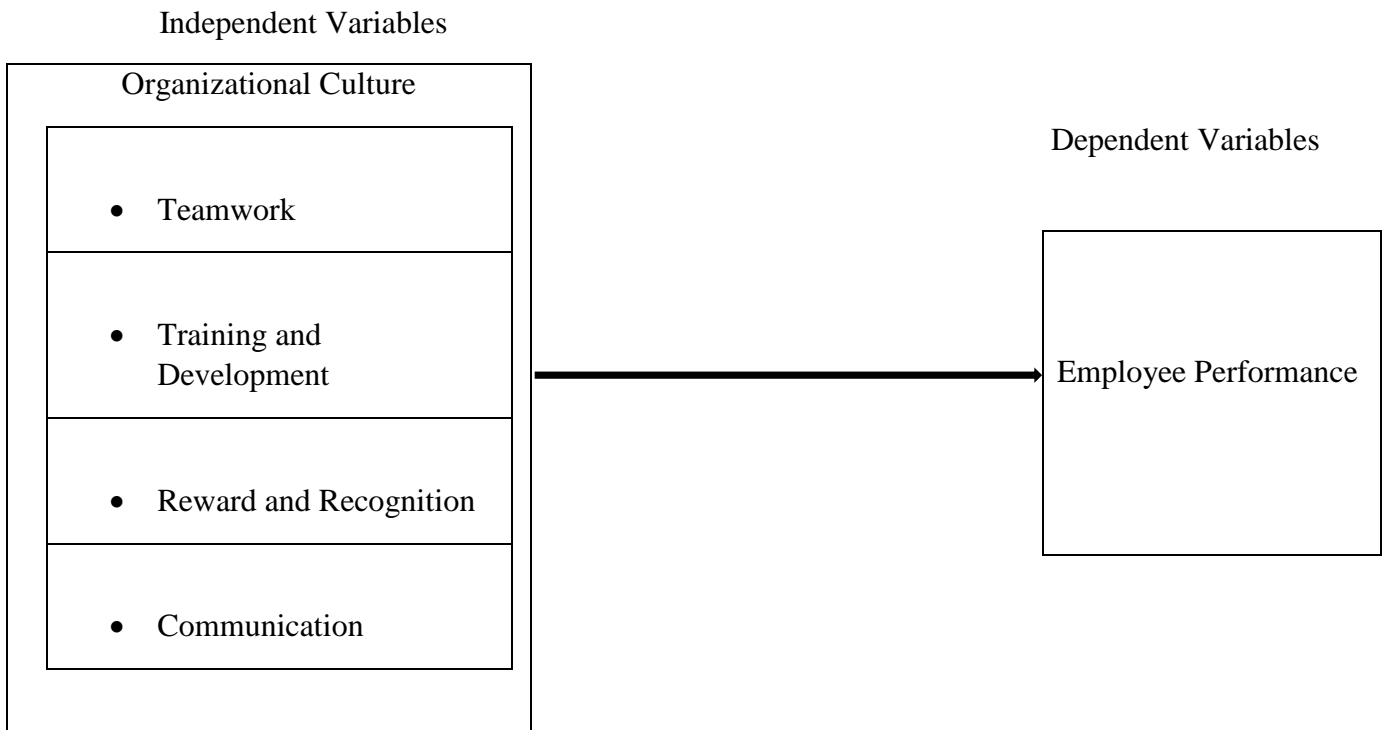


Figure 1 Conceptual Framework for the Study

Independent Variables: Independent Variables are defined as a characteristic that we (ones who are conducting the experiment) 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 behavior. 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.

2.8 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 employees’ performance in organizations.

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

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

Research design provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the research project the samples or groups, measures, treatments or programs, and methods of assignment work together to address the central research questions, (William Trochim, 2006).

3.2 PURPOSE OF THE STUDY

This study has been used descriptive research design because it aims to describe the relationship between organizational culture and employee performance and the moderating factor of human resource policy in the relationship.

Descriptive studies are designed primarily to describe what is going on or what exists, (William Trochim, 2006).

3.3. TARGET POPULATION

The target population of this study were employees who are working at Addis Ababa University Sidist kilo campuses which has the total of 2535 employees.

The Target population were the employees who are working in different colleges of AAU found in Sidist kilo campuses.

3.3.1 The Population distribution of employees for each College/Institute.

Table 1 Population Distribution of Employees

No	Colleges/Institutes	Number of Employees		
		Academic	Administrative	Total
1	Main Campus (central)	107	1148	1255
2	College of Business and Economics	131	248	379
3	College of Law and Governance Studies	62	58	120
4	College of Humanities, Language Studies, Journalism & Communication	157	140	297
5	College of Educational and Behavioral Studies	105	63	168
6	College of Development Studies (CDS)	50	44	94
7	College of Social Sciences (CSS)	143	79	222
	Total	755	1780	2535

3.3.2 Sample Size Distribution of Employees for Academic and Administrative of each College/Institution.

No	Colleges/Institutes	Number of Employees		
		Academic	Administrative	Total
1	Main Campus (central)	15	156	171
2	College of Business and Economics	18	34	52
3	College of Law and Governance Studies	8	8	16
4	College of Humanities, Language Studies, Journalism & Communication	21	19	40
5	College of Educational and Behavioral Studies	14	9	23
6	College of Development Studies (CDS)	7	6	13
7	College of Social Sciences (CSS)	20	10	30
	Total	103	242	345

Table 2 Sample Size Distribution of Employees

3.4 SOURCE AND TYPE OF DATA

The researcher has used primary data collection method and secondary data also used.

3.4.1 PRIMARY DATA

The Researcher has collected primary data through distributing questionnaire to target respondents. The primary source of data was comprising of the information collected from employees of the organization by well-prepared questionnaire in the area.

3.4.2 SECONDARY DATA

The secondary data sources have been gathered from the existing documents publication, books and other relevant materials. The Researcher has assessed and analyzed all other sources of secondary data as evidence to support the findings of this study.

3.5 SAMPLING SIZE DETERMINATION AND TECHNIQUE

The total number of employees in the selected organization was 2535 (Source: the organization).

To conduct the research a sample size of 345 people is selected from the selected organization. To get manageable sample size we use 95% of confidence interval formula and the researcher also used 0.05 or 5% of margin of error.

When the target population size is known, Yamane's (1967) provides a simplified formula to calculate sample size, (Kloet, 2010). His formula is presented as follows.

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

Where,

n =sample size

N = total population size

e = margin of error

Given: N = 2535, e =5% or 0.05 Source; solving formula using 95% of confidence, interval

$$n = \frac{N}{1 + N(e)^2} = \frac{2535}{1 + 2535(0.05)^2} = 345$$

3.6 SAMPLE SELECTION

From the total population (2535) = 345 respondents were of sampled size of the study and those have been selected by using stratified sampling method from both academic and administrative staffs.

This study used stratified random sampling because here there were two sub-groups which are academic and administrative. So there were a total of 103 sample size of academic employees and 242 sample size of administrative employees as presented above. From which the researcher has classified and distributed the sample for each respective college/institution by using proportional averaging. From the total population of 2535 the sample size is 345, then the researcher finds the proportion how much sample size one stratum constitute as $2535=345$

$755=?$ For academic employees and

the same way is true for administrative and from which the sample size distribution for each college/institution can be calculated and selected.

3.7 DATA COLLECTION METHODS

Data has collected through prepared and distributed close ended questionnaire (using Five Point Likert scale) regarding with relevant questions related to the main objectives of the study and basic questions to be answered to the targeted sample size of the population of the organization.

3.8 METHODS OF DATA ANALYSIS

After administered and gathered the primary data and get back responses from the total sampled employees, data was put into SPSS, where descriptive statistic and Regression Analysis was applied to find out the effect of organizational culture on performance of employees and the moderating factor of human resource policy in the relationship between Organizational culture and Employee performance. The researcher has used tables, graphs and figures to present the collected data.

3.9 MEASUREMENT OF VARIABLES

No.	Variable	Items	Scale	Source
1	Organizational Culture	<p>Teamwork T1. Teamwork is a major focus in our organization. T2. The university creates an environment for employees to cooperate each other's. T3. Our teamwork culture helps us to perform well in our tasks.</p> <p>Training and Development TD1. Our organization do have planned training programs to develop its human resource. TD2. As we have taken a training regarding with our responsibility, we have accomplished our tasks accordingly. TD3. Training and development programs provided for us by our organization enhances our skills and knowledge as well as performance.</p> <p>Reward and Recognition RR1. A manager recognizes employees who perform well in their tasks. RR2. The university management holds morale-building meetings to motivate and increase the employees' loyalty and commitment. RR3. The contribution of the employees to the organizational success gets a due attention and highly valued by the management. RR4. Our effectiveness and performance is highly influenced by rewards and compensation we get from the organization.</p> <p>Communication C1. The communication between the employees and the management in our organization helps us to have effective integration and leads to effectiveness in our performance. C2. There is immediate and effective communication within the organization, if there is any new and it creates employee commitment and involvement towards the goals and objectives.</p>	Five point Likert scale, 1, strongly disagree to 5, strongly agree (Ankur Joshi, 2015)	(Ankur Joshi, Saket Kale, Satish Chandel and D.K. Pal, 2015).

2	Employee performance	<p>EP1. Our performance is considered as an integral part of the growth process of the organization.</p> <p>EP2. There is effective human resource system to support and create positive impact on our task performance.</p> <p>EP3. Employees performance with measurement of transactional efficiency and effectiveness towards organizational goals in our organization is good.</p>	Five point Likert scale, 1, strongly disagree to 5, strongly agree	(Ankur Joshi, Saket Kale, Satish Chandel and D.K. Pal, 2015).
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Table 3 Measurements of variables

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

The previous chapters were deal with the theoretical aspects of the study. But this chapter deals with the data presentation, analysis and interpretation of data collected through questionnaire from employees of Addis Ababa University Sidist kilo campuses. For this study the questionnaires were distributed for 309 from 345 planned sample respondents because of the targeted respondents were stayed at home due to the current situation (Covid- 19), among those 291 questionnaires were returned and from which 13 questionnaires were rejected due to wrongly filled or invalid filling, the remaining 18 were not returned from the respondents. In general, this study was analysed based on correctly filled and collected 278 questionnaires that is 89.9% response rate.

4.2 DEMOGRAPHIC PROFILE OF RESPONDENTS

Table 4

Respondents Profile

		Frequency	Percent	Valid Percent	Cumulative Percent
Sex	Male	181	65.1	65.1	65.1
	Female	97	34.9	34.9	100.0
Age	20-30	30	10.8	10.8	10.8
	31-40	69	24.8	24.8	35.6
	41-50	144	51.8	51.8	87.4
	Above 50	35	12.6	12.6	100.0
Profession/Staff Category	Academic	78	28.1	28.1	28.1
	Administrative	200	71.9	71.9	100.0
Level of Education	Diploma	44	15.8	15.8	15.8
	BA/BSc Degree	118	42.4	42.4	58.3
	Masters	78	28.1	28.1	86.3

	PhD and Above	38	13.7	13.7	100.0
Year of Services in the Organization	0-5	34	12.2	12.2	12.2
	6-10	68	24.5	24.5	36.7
	11-20	127	45.7	45.7	82.4
	21-30	41	14.7	14.7	97.1
	Above 30	8	2.9	2.9	100.0

Source: own survey of 2020

The above table shows that about demographic profile distribution of the respondents based on the table 4.1 the sex distribution was 65.1% males and about 34.9% of them are females. it implies that the majority of employees working at Addis Ababa University sadist kilo campuses are males. And the age-group composition of the sampled employees was distributed as from 20-30 constitutes 10.8%, from 31-40 also 24.8%, from 41-50 constitutes 51.8%, and the age-group above 50 also 12.6%. which means that most employees of the AAU Sidist kilo campuses found in the age-group 41-50 which is 51.8% of the sampled. From the targeted sampled respondents 28.1% was Academic staffs and 71.9% of them was Administrative staffs of the AAU Sidist kilo campuses. According to the above table the Educational level distribution of the targeted sampled employees was classified as Diploma contains 15.8%, BA/MSc Degree 42.4%, MA/MSc Degree 28.1%, and the remaining 13.7% PhD and Above, which indicates that since the most respondents were administrative employee, the BA/BSc Degree holders have the higher constituent followed by MA/MSc Degree holders. Regarding to year of service in the organization, employees who have been working from 11-20 has the highest 45.7% followed by 6-10 years 24.5%.

4.3 RELIABILITY STUDY

Table 5

Reliability Statistics

Cronbach's Alpha	N of Items
0.813	7

Source: Own Survey, SPSS V23, 2020

Based on the reliability test shown above Cronbach's alpha of constructs is >0.7 which is 0.813 and it indicates that the reliability of the study is internally consistent and reliable.

Table 6 mean of individual constructs

Descriptive Statistics

	N	Mean	Std. Deviation
Teamwork (TMW)	278	3.5668	.56881
Training and Development (TD)	278	3.5841	.62354
Reward and Recognition (RR)	278	3.6209	.56473
Communication(COM)	278	3.7251	.66697
Employee Performance (EP)	278	3.6932	.55797
Valid N (listwise)	278		

Source: Own Survey, SPSS V23, 2020

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

As a result, the employees of AAU Sidist kilo campuses believed that Organizational culture has an impact of their performance. If we look each by, Communication has the highest mean score which is 3.7 with Std. Deviation 0.67, it implies that the communication culture of the organization does have a great impact on employees' performance, followed by Training and Development 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, 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 AAU Sidist kilo campuses.

The above all constructs have a Std. Deviation of below 1.00, this implies that the variation of the respondents' ideas on the issue is not much differ from.

4.4 CORRELATION ANALYSIS

Table 7

Pearson Correlations

		TMW	TD	RR	COM	EP	HRP	CAcAd
TMW	Pearson Correlation	1	.435**	.463**	.341**	.337**	.386**	.493**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	278	278	278	278	278	278	278
TD	Pearson Correlation		1	.479**	.302**	.354**	.348**	.373**
	Sig. (2-tailed)			.000	.000	.000	.000	.000
	N		278	278	278	278	278	278
RR	Pearson Correlation			1	.329**	.324**	.360**	.402**
	Sig. (2-tailed)				.000	.000	.000	.000
	N			278	278	278	278	278
COM	Pearson Correlation				1	.322**	.438**	.357**
	Sig. (2-tailed)					.000	.000	.000
	N				278	278	278	278
EP	Pearson Correlation					1	.443**	.334**
	Sig. (2-tailed)						.000	.000
	N					278	278	278
	Sig. (2-tailed)							.000
	N						278	278
	Sig. (2-tailed)							
	N							278

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey, SPSS V23, 2020

Key: Teamwork (TMW) . Employee Performance (EP)

Training and Development (TD) .Communication (COM)

Reward and Recognition (RR)

Correlation analysis shows that the relationship between dependent variables and other components in the study if the correlations between variables ranges from $0.10 \geq R \leq +0.20$ is very weak, $0.20 < R < 0.35$ weak but to be considered, from $0.35 \leq R < 0.50$ is fair or moderate correlation and $0.50 \leq R < 0.70$ is strongly high considerable correlation and the last ranges from $0.70 \leq R < 1.00$ very strongly considerable correlations (Senthilnatham, 2019).

Based on the above table, the dependent variable Employee performance has a correlation ranging from positively moderate to weak but considerable correlation with TD (r, 0.35), TMW (r, 0.34), RR (r, 0.324), and COM (r, 0.322) respectively.

4.5 DIAGNOSTICS IN REGRESSION

4.5.1 NORMALITY

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.

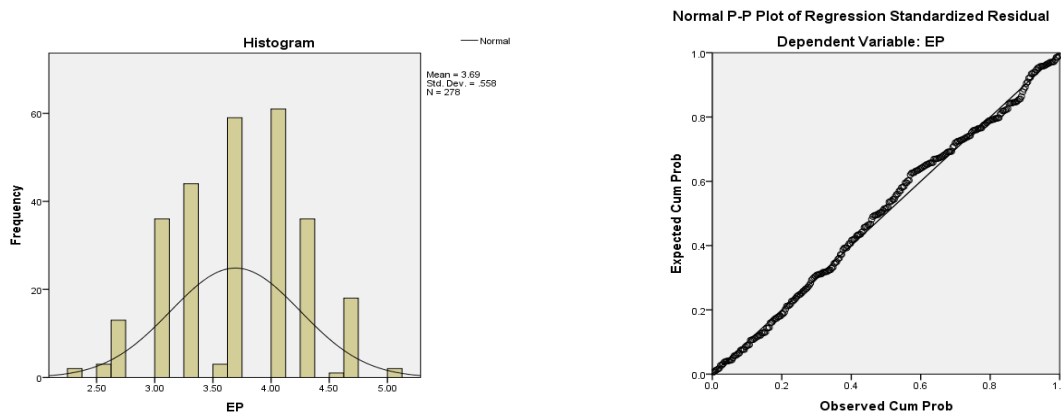


Figure 2 Histogram and p-p plot of standardized residuals

Source: Own Survey, SPSS V23, 2020

4.5.2 MULTICOLLINEARITY

Table 8 Collinearity Test

		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	1.314	.246		5.338	.000		
	TMW							
	TD	.384	.076	.307	5.059	.000	.726	1.377
	RR							
	COM	.269	.058	.282	4.651	.000	.726	1.377

a. Dependent Variable: EP

Source: Own Survey SPSS, V23, 2020

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

4.6.3 HOMOSCEDASTICITY

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.

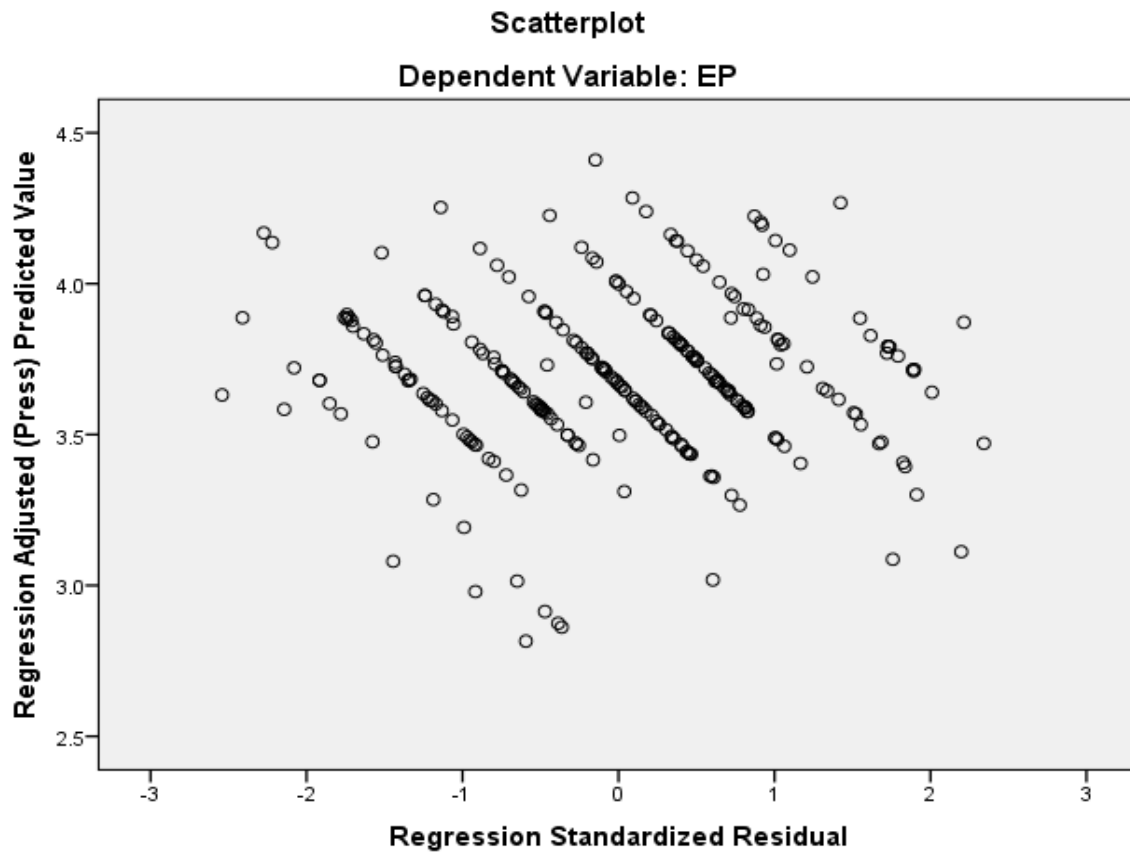


Figure 3 Scatterplot of Standardized Residuals

4.5.4 AUTOCORRELATION

Table 9 Durbin Watson statistics

Model Summary ^b					
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 Variable: EP

Source: Own Survey SPSS V23, 2020

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.

4.6 REGRESSION ANALYSIS AND HYPOTHESIS TESTING

H1: *Teamwork Culture is positively related to Employees' performance in the organizations*

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.

Table 10 Relationship between teamwork culture and Employee performance

ANOVA ^a						
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^a

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

a. Dependent Variable: EP

Source: Own Survey, SPSS V23, 2020

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

Table 11 Relationship between Reward & Recognition and Employee performance**Coefficients^a**

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

a. Dependent Variable: EP

Source: Own Survey, SPSS V23, 2020

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. which means that if there are considerable compensations, benefits 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 employees' performance in the organization.*

Table 12 Relationship between Training & Development and employee performance

Coefficients^a

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

a. Dependent Variable: EP

Source: Own Survey, SPSS V23, 2020

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 $\beta=0.35$, $p<0.05$). which 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 13 Relationship between Communication and employee performance

Coefficients^a

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

a. Dependent Variable: EP

Source: Own Survey, SPSS V23, 2020

As the above table indicates, communication of the organization has a positive and statistically significant relationship with employee performance (Standardized $\beta=0.32$, $p<0.05$). means that as there is a good and timely formal and structural and informal communication within the organization, it's important to employees in aware of any new and to adjust themselves accordingly and improve on their job performance.

4.7 SUMMARY OF HYPOTHESIS

Table 14 Hypotheses and Results

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

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 MAJOR FINDINGS

This study was conducted mainly on the investigation of impact of organizational culture on employee performance targeted at AAU Sidist kilo campuses and tried to answer different questions in response.

- 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 AAU Sidist kilo campuses believed that the effect of organizational culture (consists four dimensions) 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 $\beta=0.45$, $p<0.01$). and the second hypothesis which is the moderating factor of human resource policy on organizational culture-employee performance relationship has been also tested and resulted that human resource policy has a positive and statistically significant on organizational culture-employee performance relationship (Standardized $\beta=0.28$, $p<0.01$).

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 dimensions of organizational culture and to investigate the relationship between organizational culture (consisting of the above four dimensions) and employees job performance. So, from the results of the findings, specific conclusions have been formulated as follows:

- According to the descriptive statistics results above, the employees believed that organizational culture has a great impact on employee performance in its dimensions as indicated, all dimensions has a mean score of above the midpoint three. From which the four dimensions (in this case) of organizational culture has a significant impact on employee performance of the organizations.
according to prior study conducted by (Ramdhani, 2017), the corporate culture consists of teamwork, communication, training and development and reward and recognition can be improve the employee commitment to the organization from this, if the employee commitment to the organization is high and positive, their performance also positive and effective in affecting to the organizational success.
- From the result of multiple regression, Human resource policy has a positive and statistically significant effect on the Organizational Culture-Employee performance relationship as of (Standardized $\beta=0.28$, $p<0.01$), it is concluded that the organization's human resource policy has a significant moderating role in improving or negatively affects the employee performance as well as the organizational performance.
- From the correlation analysis it is concluded that the relationship between variables in this case considered as positive and moderately related with each other's which indicates that all the dimensions of the organizational culture with employee performance and human resource policy as a moderating factor have positive and can affect each other in the same direction.

5.3 RECOMMENDATIONS

Based on the findings and conclusions above, the following recommendations have been forwarded.

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 dimensions as follows:

- Since teamwork has a significant impact on employees' performance, AAU needs to create grounds for employees in cooperate each other to improve their skills and performance by cross knowledge sharing, and create inter and intra-college/institution projects needed to be accomplished by group efforts to improve interpersonal relationship between employees of the university.
- Building human resource in the organizations is considered as plan to have a strong and effective human capital in the organization. An organization has to 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 AAU 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, AAU has to have 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, AAU has to have an effective and SMART communication networks and outlooks to share every information in the organization. There should be platforms to have immediate and timely

multidimensional information flow channels in the university 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 decisions and to make a new organizational change if necessary in the university.

5.4 FUTURE RESEARCH

- ✓ 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.
- ✓ Detailed researches on examining of the effect of organizational culture on employees' performance in the higher education institutions.

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APPENDIX

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT GRADUATE PROGRAM

Dear Respondents,

First I would like to *thank you* for your voluntarism and cooperation with me in filling this questionnaire which is prepared for the partial fulfillment of the requirements of **Master of Arts** degree in Business Administration Specialization in Management. The purpose of this questionnaire is to get relevant information on the assessment of *The effect of Organizational Culture on Employee Performance* in Addis Ababa University Sidist killo Campuses.

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.

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.

1. General information about the respondents

1.1 Sex: Male Female

1.2. Age: 20-30 31-40 41-50 above 50

1.3. Level of education: diploma degree Masters PhD and above

1.4. Year of service in the organization: 0 to 5 6 to 10 11 to 20 21 to 30
above 30

1.5 Profession/Staff Category Academic Administrative

Thank you for your cooperation!!!

2. 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.

Teamwork

Measurements		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Questions						
1	Teamwork is a major focus in our organization and has a significant impact on our performance.					
2	The university creates conducive environment for employees to cooperate with each other's.					
3	Our teamwork culture helps us to perform well in our tasks.					

Training and Development

4	Our organization do have 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 provided for us by our organization enhances our skills and knowledge as well as performance.					

Reward and Recognition

7	A manager recognizes employees who perform well in their tasks.					
8	The university 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.					
Communication						
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 new and it creates employee commitment and involvement towards the goals and objectives of the organization.					

3. Employees' Performance

Measurements Questions		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
		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	Employees performance with measurement of transactional efficiency and effectiveness towards organizational goals in our organization is good.					