THE EFFECT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE: THE CASE OF SLECTED POLYTECHNIC COLLEGES.

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTIMENT OF MANAGEMENT

Master of Science in Management (General)

A Thesis Submitted to Department of Management, College of Business and Economics, Addis Ababa University in Partial Fulfillment of the Requirements for the Degree of Master of Science in Management (General).

By:

Petros Simon Toma

Advisor: Dr. Dejene T.

June 23, 2026

Addis Ababa, Ethiopia

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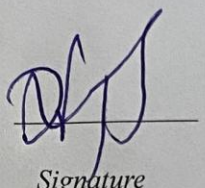
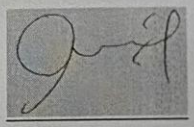
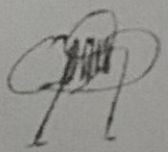
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APPROVAL SHEET

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We, the undersigned, members of the Board of Examiners of the final open defense by **Petros Simon** have read, evaluated and examined his/her thesis entitled **"The Effect of Organizational Culture on Organizational Performance: the case of selected polytechnic colleges".** Therefore, this is to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree of Masters of Science in management.

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Final approval and acceptance of the thesis is contingent upon the submission of final copy of the thesis to council of graduate studies (CGS) through the departmental or school graduate committee (DGC or SGC) of the candidate.

STATEMENT OF DECLARATION

I hereby declare that this thesis entitled ***"The Effect of Organizational Culture on Organizational Performance in the Case of Selected Polytechnic Colleges"*** is my own original research work and all sources of material used for this thesis has been duly acknowledged. Conducted under the valuable supervision and guidance of Dr. Dejene Tulu (Assistant Professor of Addis Ababa University at Department of Management).

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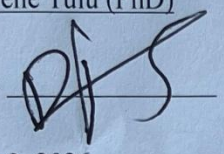
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STATEMENT OF CERTIFICATION

This is to certify that the thesis work entitled that **"*The Effect of Organizational Culture on Organizational Performance in Selected Polytechnic Colleges*"** has been carried out by **Petros Simon**, under my supervision for the partial fulfillment of Degree of Masters of Science in Management at College of Business and Economics, Addis Ababa University. Therefore, I recommend that the student has fulfilled the requirements and hence hereby can submit the thesis to School of Graduate study of Department of Management for defense.

Approved by:

Name: Dejene Tulu (PhD)

Signature: 

Date: June 2, 2026

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Best regards,

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Abbreviations and Acronyms

OC- Organizational Culture

OP- Organizational Performance

ROE- Return on Equity

ROA- Return on Asset

ROI- Returns on Investment

ROS- Return on sale

SPSS- Statistical Package for Social Sciences

TVET -Technical and Vocational Education and Training

ABSTRACT

Analyzing the organizational culture effect on organizational performance in case of selected polytechnic colleges was the main objective of the study. Involvement, Consistency, Adaptability and Mission were the four element of the organizational culture and visualized based on Denison's Model. The study particularly intended to assure in some selected polytechnic colleges; the degree to which organizational culture affects non-financial performance of using BSC for the measurement of its non-financial performance. 286 employees of some selected polytechnic colleges were the target population of this study and used stratified sampling for population distribution. The primary data was collected through questionnaire in order to achieve the above objectives. The study generated quantitative data using SPSS version of 25 which was analyzed using descriptive analysis with Measure of Central Tendency and inferential analysis using Pearson correlation matrix and multiple regression models after the study distributed structured questionnaires and collected data through survey research strategy. The result of analysis 0.711(71.1%) was the study established multiple coefficient correlation between organizational culture and organizational performance. The study concludes that in selected polytechnic colleges such as Tegbareid Polytechnic College, Nefas Silk Polytechnic College, Tafari Mekonnen Polytechnic Colleges and General Wingate Polytechnic College organizational culture has significant positive effect on organizational performance. Therefore, the study concludes that in some selected polytechnic colleges; all basic components of organizational culture affect organizational performance and in order to ensure sustainable growth the researcher recommends some selected polytechnic colleges to have a system that helps the colleges to create and maintain strong organizational culture consistently.

Key words: *Organizational culture; Organizational Performance; Non-financial- performance*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

1.1.1 Overview of Organizational Culture and Performance

Currently, globalization has posed significant challenges for organizations worldwide. To remain competitive, organizations must be able to develop, maintain, and reinforce a coherent organizational culture over time. High-performance firms could be distinguished from low-performance firms as it possesses certain "strong cultures." (Peters and Waterman, 2011). Organizational performance can be enhanced by strong shared values as (Deal and Kennedy, 2009). Moreover, research on the link between organizational culture and performance has increased substantially during the past two decades and this show the importance of culture for organizations as (Lim, 2011). Overlay; this study analyzed the effect of organizational culture on organizational performance in the case of some selected Polytechnic College.

The set of norms that characterize how an organization understands and operates are Organizational culture. Common vision, values, norms, systems, symbols, language, underlying assumptions, beliefs, and everyday habits are some elements of organizational culture as (Needle, 2012). Additionally, the organization's expectations, lived experiences, guiding philosophy, and the values that shape and direct members' behavior encompassed in culture. Culture in addition includes expectations, experiences, philosophy, as well as the values that guide member behavior, and it has been expressed in members' self-image, inner workings, and interactions with the outside environment. Shared attitudes, beliefs, and customs, written and unwritten rules that have been developed over time and considered are cultural element as (Business Dictionary). Therefore; organizational culture is the way things are done in the organization as (Deal and Kennedy, 2009).

Shared assumptions that guide what happen in organizations are a set of organizational culture as (Ravasi and Schultz, 2010). In article entitled *"A Strong Market Culture Drives Organizational Performance and Success,"* that a company's culture influences every area of work that the company undertakes as (Gallagher and Brown, 2012). What the company could really be like, how it could operate, what it could focused on, and how it could treat customers, employees, and

shareholders are the core of organizational culture. Organizational culture is the central driver of superior business performance but not only be an important factor of an organization as (Gallagher & Brown, 2012).

Norms and values have a great impact on those who is fully devoted to the organization. Norms are unable to be seen, but if organizations want to increase profit and employee productivity, norms come first to be considered (Stewart, 2011). The importance of corporate culture is emphasized that "without exception, the dominance and coherence of culture prove to be an essential quality of excellent companies or organizations" as (Peters and Waterman 2011, p. 808), if organizations wish to improve performance and profitability, culture is one of the first areas to be examined as (Stewart, 2011). Organizational subcultures are groups whose common characteristic is a shared norm or belief as Boisnier and Chatman, 2012).

Basic assessment of organizational culture such as four cultural attributes: mission, consistency, adaptability, and involvement were the Denison Model provided in this study. Strengths and weaknesses of an organization and provided solutions for improving organizational performance were diagnosed by this approach where culture influence effectiveness (Van der Stede, 2008). While workplace culture is the created and communicated by business leaders were vital to the relationship between leadership and culture not be one-sided. The principal architects of culture, an established culture influence what kind of leadership possible were leaders and leaders have to appreciate their role in maintaining or evolving an organization's culture as (Schein, 2002). As embedded and established; culture illustrates how people should behave, which help employees to ensure higher job satisfaction and to achieve their goals (Tsai, 2011). Since, culture offer several advantages when in the face of tough competition (Hoecklin, 2001).

The achievement of financial and non-financial goals that enable an organization to remain viable and sustainable in both the short and long run are Performance (Denison, 2012). Financial and non-financial are measures of performance which aim to evaluate the contribution an employee makes to firm value (Merchant & Van der Stede, 2006). The notion of organizational performance affiliated with the endurance and success of an organization (Brynjolfsson, 2013). This study to measure organizational performance by the Balanced Scorecard proposed by (Kaplan and Norton, 2010). Financial perspective, customer perspective, internal business

perspective, and innovation and learning perspective were the dimensions of the Balanced Scorecard included in this study. Productivity, quality, consistency, and related indicators are could be a comprehensive measure of performance.

Given the foregoing discussion; the researcher aimed to measure whether organizational culture has a significant influence on the non-financial performance based on organizational culture, organizational performance, and performance measurement of selected polytechnic colleges. Specifically, the extents to which culture affects non-financial performance and used the findings to draw a conclusion were examined by this study. In this regard, organizational performance is closely tied to the extent to which cultural values are understood, internalized, and shared across the organization were had argued by practitioners and scholars (Denison, 2012).

The gap in the literature tried to fill by the researcher through studying the situation at selected polytechnic college and provided additional empirical evidence that could imply the impact of organizational culture on performance by investigating and measuring the possible relationship between the two variables in this study: organizational culture and non-financial performance.

1.1.2 Overview of Polytechnic College in Ethiopia

Polytechnic colleges in Ethiopia are one of an essential part of the country's Technical and Vocational Education and Training (TVET) system. Preparing students with practical, job-focused skills that help drive national economic development and industrialization are their main goal. These colleges mostly serve middle-skill learners, offering training in a wide range of technical and vocational areas such as business and finance, engineering technologies, construction and manufacturing, automotive technology, and information and communication technology (ICT), among others. The Ethiopian government strongly supports TVET (including polytechnic education) as a way to reduce the gap between what people learn through formal education and what employers actually need in the labor market. Overall, the system is built into Ethiopia's wider education framework and guided by national TVET policies and strategies, which aim to develop a workforce that is capable, flexible, and innovative and supporting employment, economic growth, and social progress (Ministry of Education, 2020; Krishnan & Shaorshadze, 2013).

In general, public polytechnic colleges are run under regional TVET bureaus or federal authorities. They offer programs based on national occupational standards that describe the competencies required at different occupational levels, from basic technician roles to more technically responsible positions. Most students join these programs after completing grade 12. Training is designed to include a strong practical and workshop-based component, alongside the necessary theoretical instruction. Ethiopia's TVET strategy also emphasizes outcome-based education, with a clear focus on matching curricula to industry needs. This helps ensure graduates are ready either to enter the workforce directly or to start self-employment. In addition, polytechnic colleges often provide short-term training and community outreach programs to promote lifelong learning and respond quickly to changing skill demands (Ministry of Education, 2020; Wikipedia, 2025).

1.2 Statement of the Problem

Furthermore; organizations tend to face more challenges when they grow. Since; these challenges create the need to change the organization's culture to be more supportive to achieve the goal and others argues that organizational culture must be valuable, rare, inimitable and not substitutable so as to serve a source of sustained competitive advantage (Barney, 2009). Many of the earlier sources of competitive advantage such as economies of scale, technological innovation, financial resources etc. have reduced significantly as a result of de-regulation, shorter product life cycles and need of flexibility in production as a result of more fragmented markets (Pfeffer, 2012). The financial performance management has many shortcomings that have given raise the non-financial management In addition. For example, market shares, product service quality; employee satisfactions factors are often ignored in traditional financial measurements like return on investment or net earnings (Kaplan and Norton, 2010; Otley, 2015).

As a member of one of the case organizations, the researcher observed that, in practice, there is no clearly documented or systematically defined information describing the organizational culture or the level of culture within the selected polytechnic colleges, despite the existence of accounts of relatively strong and weak cultures. In addition, during periods of management turnover, there appears to be no dedicated organizational mechanism or responsible body for managing or sustaining culture; instead, cultural activities are essentially reset from the

beginning. These manners, as reflected in the researcher's experience, contribute to the selected polytechnic colleges underperforming relative to other institutions (peers) within the education sector.

The researcher believed and decided to study the effect of organizational culture on non-financial performance to bring organizational improvement based on the evidence based research. To study organizational culture that implicitly explains the cultural traits of organizational non-financial performance and non-financial performance measures in customer perspective, internal process perspective, and innovation and learning perspective the study employed the Denison theory and the BSC model by (Norton and Kaplan, 2012). Different cultures as well as performance indicators utilized, and they were employed in various kinds of organizations and industries while financial performance measure needs the data for respondents to answer the questions that was not logical to measure their level of agreement without data available at their hand.

1.3 Objectives of the Study

1.3.1 General Objective

- The study was analyzed the effect of organizational culture on the performance: The Case of selected Polytechnic Colleges.

1.3.2 Specific Objectives

- To examine the effect of employee involvement on organizational performance in selected Polytechnic College.
- To examine the effect of employee consistency on organizational performance in selected Polytechnic College.
- To determine the effect of employee adaptability on organizational performance in selected Polytechnic College.
- To investigate the effect of mission on organizational performance in selected Polytechnic College.

1.4 Significance of the Study

From this study different bodies were got advantage. So as to give a more attention to its culture and non-financial performance and further to decide which culture need improvement, management and which one would remove for a better performance selected polytechnic colleges helped from this research. This research also for selected polytechnic colleges created a good opportunity to take it as a trial for further research. This study served as an input/reference for future researchers who have interest to study in such related areas.

1.5 Scope of the Study

Analyzing the effect of organizational culture on the performance in the case of some selected polytechnic colleges were the basic aim of this study. The data was delimited to the employees and their leaders of selected polytechnic college only. The results were not generalized to the whole selected polytechnic colleges or other types of organizations of the country since the study in the sampling frame had its share of delimitation to only particular group of selected polytechnic colleges.

Analyzing the effect of culture on performance was the aim of this study but the performance limited to non-financial performance only. Study needs the respondents to have actual data at hand so it is difficult to assess financial perspective based on employee subjective response. Therefore, any term found in this study interpreted only the impact of organizational culture on the performance of selected polytechnic college.

1.6 Limitation of the study

Every research project inherent drawback that may influence the overall research process and the interpretation of its findings. The present study faced the following limitations:

A. Time Constraints

The study had limited time to generate sufficiently reasonable, adequate, and reliable information. Because of this time limitation, there was not enough time to collect comprehensive data, which may have reduced the depth and breadth of the findings.

B. Data Constraints

The research was also limited by the availability and quality of data. The researcher encountered difficulties accessing accurate and up-to-date records and information from some of the selected polytechnic colleges. As a result, incomplete or inadequate data may have affected the overall reliability and validity of the findings.

C. Financial Constraints

Limited financial resources constrained the study's ability to obtain certain data and access necessary resources. This also restricted the scope of the research, making it harder to conduct a broader and more in-depth study using a wider range of respondents and data collection methods.

D. Respondent Unwillingness and Delays in Response

Another limitation involved the responsiveness of participants, particularly employees of the selected polytechnic colleges. Some respondents were reluctant to participate or delayed providing the requested information. These issues contributed to delays in completing the research within the planned time frame.

1.7. Organization of the study

Five successive chapters were organized in this study. Background of the study, statement of the problem, research question, objectives of the study, and significance of the study, scope, Limitation of study, organization of the study and Definitions of terms were included in the first chapter. The review of the related literature was covered in the second chapter. Research methodology containing population, sampling technique, type and source of data, data gathering method and data analysis were covered in the third chapter. Data presentation and analysis were deal with the fourth chapter. Lastly summary, conclusion and recommendations were deals in the fifth chapter.

1.8 Definitions of the Research Words

In this section the researcher stated some of the basic terms based on operational definition as follows:

Culture: Culture refers to shared system of learned values, beliefs, assumptions, norms, and behaviors that characterize a social group or society. It shapes how members perceive reality, think, feel, and is passed to new generation through socialization and experience (Schein & Schein, 2023). Culture determines what is considered acceptable or unacceptable and guides collective responses to challenges (Schein & Schein, 2023).

Organizational Culture: the set of shared values, beliefs, assumptions, and norms are Organizational culture that influences how members behave and interact internally and externally (Denison, Nieminen, & Kotrba, 2021). It is reflected in organizational practices, leadership, decision-making processes, and strategic orientation (Denison et al., 2021).

Performance of Organization: Performance refers to extent which an organization or individual successfully carries out tasks and activities to achieve predetermined objectives efficiently and effectively (Armstrong & Taylor, 2023).

Financial Performance: Financial performance measures an organization's results in monetary terms, such as return on assets, return on investment, and profitability, indicating how effectively resources are used (Ross, Westerfield, & Jordan, 2022).

Non-Financial Performance: Non-financial performance refers to outcomes not expressed in monetary terms of customer satisfaction, service quality, market share, innovation, and employee satisfaction (Kaplan & Norton, 2020).

Vision: Vision describes an organization's desired future state and long-term aspirations, providing strategic direction and motivating employees (Johnson, Scholes, & Whittington, 2023).

Values: Values are deeply held beliefs and principles shared by members of an organization that define what is important, appropriate, and desirable, influencing attitudes, ethics, and decision-making (Robbins & Judge, 2022).

Involvement: Employee involvement refers to the degree to which employees participate in decision-making and problem-solving activities, enhancing commitment, ownership, and collaboration (Denison, Hooijberg, Lane, & Lief, 2021).

Consistency: Consistency is the degree to which shared values, systems, and procedures are aligned and applied uniformly across an organization, promoting coordination, stability, and predictable behavior (Denison & Mishra, 2021).

Adaptability: Adaptability is the capacity of an organization and its members to respond effectively to internal and external changes through learning, innovation, and adjusting strategies and practices (Burns & Stalker, 2021).

Mission: Mission defines an organization's core purpose, objectives, and approach to achieving its goals, guiding strategic priorities and daily operations (David, David, & David, 2023).

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Introduction

Analyzing the effect of organizational culture on organizational performance of selected polytechnic college was the main objective of this study. The definition and conceptualization of organizational culture and organizational performance focusing on non-financial performance was discussed by the researcher on this chapter. Based on the literature and previous studies the link between organizational culture and organizational performance was also explained on this chapter. The scope of the project and literature had gathered to establish theoretical framework according to the information searched. The concepts were developed to provide the background information culture, organizational culture and their link to the performance of an organization.

This chapter was based on the research questions and subtopics to further cross-examine the questions. Review of literature surrounding organizational culture was the first section of this chapter. Review of literature on the effect of organizational performance was the second section of this chapter. The role of organizational culture on non-financial performance in financial perspective, customer perspective, internal business perspective and innovation and learning perspective was explored in this chapter. The empirical review on organizational culture and organizational performance and conceptual frameworks were the last section of this chapter.

2.1.2 What is culture?

The word "culture" originated from term of French, which was derived from the Latin term known as "colere," meaning to cultivate, tend the earth, nurture and promote grow. The characteristics and knowledge of a particular group of people, encompassing language, religion, cuisine, social habits, music and arts is culture. Pattern of shared basic assumptions that the group learned as it is helpful to solve problems of external adaptation and internal integration is culture (Schein 2009).

2.1.3 The Concept of Organization Culture

For first time in the academic literature in the journal of "Administrative Science Quarterly" The term "organizational culture" was used for his study (Pettigrew 1979). Identifying the norms and values of the organization of the employees was necessary for the management. The culture of the organization should be developed in a way to improve the style of employee's performance and continuously develop the quality awareness. Cultures of organization were based on cognitive systems which help to explain how employees think and make decision was argued by (Pettigrew 1979). He also noted the different level of culture based on the multifaceted set of beliefs, values and assumptions that determine ways to organizations to conduct its business. Organizational culture is known as "normative glue" means to hold the overall organization together According to (Tichy 1982).

Values and assumptions shared within an organization were elements of organizational culture. Organizational culture for a company determines what is important and unimportant and, consequently directs everyone in the organization toward to the "right way" of doing things. Organizational culture as the organization's DNA; although invisible to the naked eye, yet a powerful template that shapes what happens in the workplace (McShane and Mary 2010).

The organizational culture importance is explained and stated that, "the dominance and coherence of organizational culture should be proved to be an essential quality of the excellent companies or organizations without exception" by (Peters and Waterman 1999, p.808). Values, underlying assumption, expectations, and definitions that characterize organizations and its employees are Organizational culture and can be viewed in many ways as defined by different writers and majority of them agree with the concept of culture.

The pattern of shared basic assumptions learned by a group and answered problems of external adaptation and internal integration and which has worked well enough to be considered is the definition of culture (Schein 2010) and, therefore, and consequently passed on to new members as the appropriate way to perceive, think, and respond to those problems.

Underlying values, beliefs and principles that serve as a foundation for an organization's management system, as well as the set of management practices and behaviors that both

demonstrate and reinforce those basic principles and these principles and practices stand because they have meaning for the members of an organization was found that organizational culture as (Denison and Neale 2008).

Currently, the organizations have come to understand that how important the health of their culture is to their success. “The system of meanings and knowledge that develops into learned standards is Organizational culture” (Chenot 2007). Then these created standards allowing employees to evaluate their own behavior in relation to others and, conversely, other‟ behavior in relation to organizational standards. Traditional or historically selected ideas, behaviors and related values are also organizational culture element (Chenot 2007). This assumption was also supported; that socially constructed attribute of organizations that serves as the social glue binding an organization together is called culture as (Cameron and Quinn 2011).

Generally, norms, values, beliefs and assumption that employees share in their organization were organizational culture and the above-mentioned authors were agreed. Organizational cultures are focused on private, public, non-profit organizations and governmental organizations as (Shein 2010).

2.1.4 Levels of Organizational Culture

In several levels organizational culture exists and differs in terms of visibility and resistance to change. It becomes difficult to determine which is the more and which is the less important elements when it comes to changing the culture of the organization that helps shape an organizations culture. Four-layered hierarchical model of culture which helps to identify and categories the constituent elements of culture was developed by (Hofstede 2002).

Shared Assumptions: Is the deepest and least visible part of organizational culture. They consist of beliefs and ideas about human nature, relationships, trust, and reliability that employees accept without questioning. Over time, these assumptions become taken for granted and strongly influence how people think and behave within the organization. Since they are deeply rooted, employees may not even realize they exist unless they experience a different organizational culture elsewhere (Schein, 2010).

Cultural Values: represent the common beliefs and feelings about what is considered important, appropriate, and valuable within an organization. These values shape employees' attitudes, priorities, and decision-making processes. However, values differ from one organization to another. In some organizations, employees may focus mainly on financial success and rewards, while in others greater importance may be placed on innovation, teamwork, customer satisfaction, or employee welfare. These shared values help guide the behavior of members and create a sense of direction within the organization (McShane & Von Glinow, 2018).

Shared Behaviors: are the visible actions and practices that employees display in their daily activities. Compared to assumptions and values, behaviors are easier to observe and change. They include the ways employees communicate, cooperate, solve problems, and interact with one another in the workplace. In many cases, employees may not fully recognize the values that connect them, but those values are reflected through their common behaviors and routines (Robbins & Judge, 2019).

Cultural Symbols: Is the most visible aspect of organizational culture. They include language, slogans, gestures, stories, logos, dress codes, ceremonies, and other physical objects or expressions that carry special meaning within the organization. These symbols help employees understand and identify with the culture of the organization and strengthen a sense of belonging among members (Daft, 2021).

Although organizational culture is often explained through different hierarchical models, real organizational cultures are usually more complex than the models suggest. Many organizations contain subcultures within departments or groups, and disagreements or countercultures may also exist. In addition, there can be a gap between the culture officially promoted by the organization and the culture actually practiced in everyday activities (Burnes, 2004).

2.1.5 The Creation of Organizational Culture

Culture of organizational does not fade away that and does not pop out of thin air, it means that does not develop suddenly and does not disappear easily once has been established (Robbins, 2001). Customs, traditions, and general way of doing things and what it has done before and the degree of success it has had with these endeavors is an organization culture. Organizations are

not restricted by previous customs and ideologies and the organizations founders have a vision of what they want to be (Robbins 2001). The creation of organizational culture occurs particularly in three ways as follow:

1. The founders of an organization want to hire and maintain employees who share identical ways of thinking and behaving.
2. The founders of an organization try's familiarize and train new employees so as to adopt their beliefs, values, and perspectives regarding organizational practices.
3. To imitate newly hired employs behavior and to gradually internalize their assumptions and values to organization, the founders themselves serve as role models and employees.

When the organization succeeds, the organizations founder's vision becomes the main determinant of that success. At this time, the founder's entire personalities become embedded in the culture of the organization. Further, stories, rituals, symbols, and languages were the most influential culture that is transmitted to employees in a number of forms Robbins (2001, p.525)

2.1.5.1 Stories

The organizational culture seen well-known example in the story of the Ford Motor Company. He often reminded his executives particularly when they became overly confident, by saying, "It's my name on that building" when Henry Ford II served as chairman of the company (Robbins, 2001). To employees and managers that the company's direction, authority, and identity were closely connected to his leadership and vision, this statement carried a strong message.

The example determines how the organizational culture shaped through their words, actions, and personal influence by founders and leaders. This even shows that how stories within organizations become powerful instrument for communication, authority, and expected behavior to employees. This stories help to preserve the organization's culture and to remind members about the principles and leadership style that guide the organization (Robbins, 2001). Therefore; Culture is learnt employees who listen to other and who relate stories about how earlier employees treated their customers and how they handled the problems that arise in the company were believes of (Robbins 2001).

2.1.5.2 Rituals /ceremonies

The basic values of the organization that expressed and reinforced by repetitive sequences of activities are rituals. Repeated activities within an organization that helps the organization to express and strengthen its core values and beliefs are also called rituals. The organization goals, expected behaviors, and the people who contribute significantly to organizational success communicated by these activities. Organizations reinforce their culture and create a sense of unity and motivation among employees through rituals/ceremonies (Robbins, 2001)..

The annual meetings, award ceremonies, celebrations, or recognition programs are form of rituals that many organizations conduct in to appreciate employees who achieve exceptional performance. To improve their performance; these ceremonies serve as a motivational instrument by publicly acknowledging employees' contributions and encouraging others. One of the most recognized examples of corporate rituals is the annual award ceremony conducted by Mary Kay Cosmetics. These awards symbolized success and reinforced the organization's values related to hard work, achievement, and excellence (Robbins, 2001).

2.1.5.3 Material Symbols

The physical objects within an organization that communicate important messages about the organization's culture and values are material symbols. The design and layout of corporates, cars provided to top executives, the size of offices, benefits of executive, and employees' dress codes are examples of material symbols. These symbols help employees understand who holds authority and importance within the organization, the level of equality or hierarchy preferred by management, and the kinds of behavior and appearance considered acceptable in the workplace according to (Robbins 2001).

The organization's status, priorities, and management philosophy are also material symbols. For instant, luxurious offices and special executive privileges may indicate a highly hierarchical culture, while simple office arrangements and equal facilities may suggest a culture that values openness and equality among employees. In this way, material symbols influence how employees perceive their roles and relationships within the organization and become a visible representation of organizational culture (Robbins, 2001).

2.1.5.4 Organizational Language

The unique words, phrases, acronyms, jargon, and expressions are commonly used within an organization are organizational language. Many organizations and groups develop their own language as a way of identifying members of a particular culture or subculture. Employees become more integrated into the workplace environment when they learn and use this language and demonstrate their acceptance of the organization's culture (Robbins 2001).

To describe equipment, work processes, offices, customers, suppliers, products, or important personnel connected to their operations, organizations mainly create particular terms. New employees become familiar with them and begin using them naturally in daily communication when they initially find these expressions difficult to understand. It serves as a shared language that strengthens unity and reinforces the organizational culture when employees adopt the organization's terminology (Robbins 2001).

Forms of verbal symbols include the way employees speak to coworkers, address customers, express emotions, and greet stakeholders that reflect organizational cultural values. Therefore, organizational language not only facilitates communication but also helps preserve and communicate the values, beliefs, and identity of the organization (McShane and Mary 2010).

2.1.6 Denison's model of Organizational Culture

For studying and evaluating organizational culture depending on the objectives and perspectives of their research, different scholars have developed various approaches, techniques, and methods. When factor influencing organizational success, researchers sought to create models that could clearly explain the relationship between culture and organizational performance, organizational culture became increasingly recognized. Among these models, one of the most widely recognized and practically applicable frameworks is the Denison organizational culture model because it explicitly demonstrates the connection between organizational culture and organizational performance.

The Denison model includes four major cultural traits such as involvement, consistency, adaptability, and mission. All this cultural dimensions further divided into three sub-dimensions,

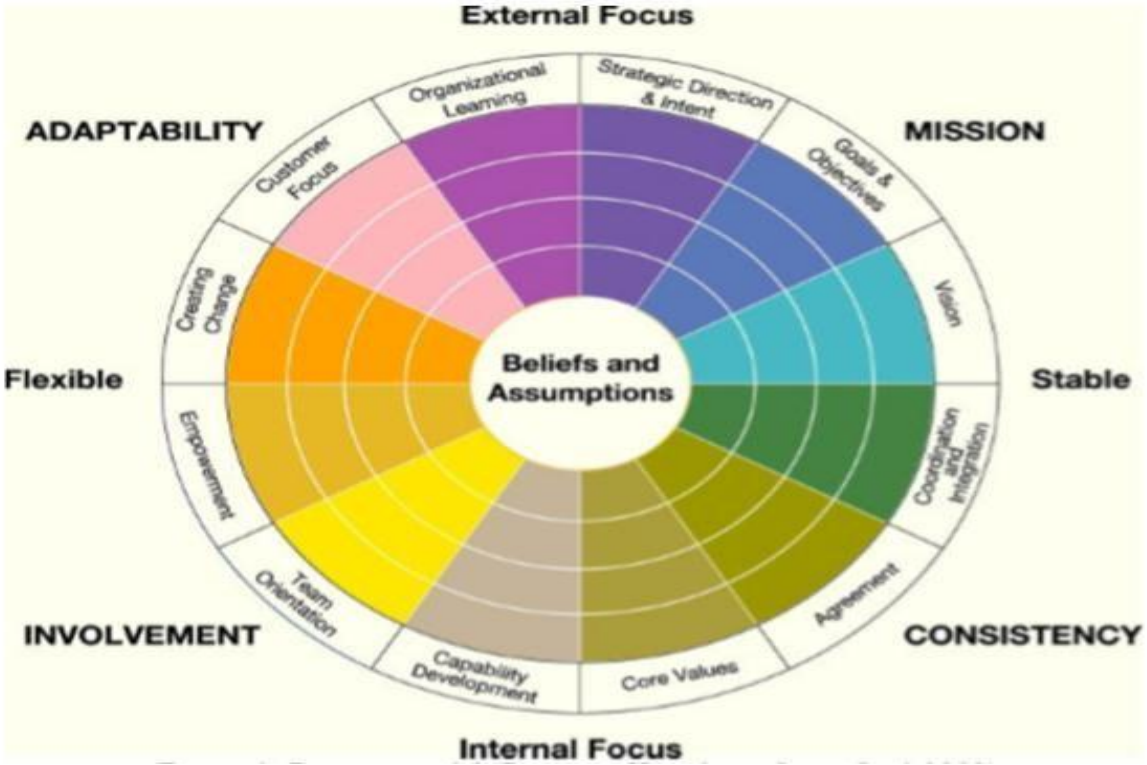
resulting in a comprehensive framework consisting of twelve organizational culture characteristics (Denison, Hooijberg, Lane, and Lief 2012). The model tells how these cultural traits affect organizational overall performance. Organizational performance is evaluated using indicators such as growth in sales volume, market share, profitability, the development of new products and services, quality improvement, employee satisfaction, and the overall efficiency of organizational operations in this framework. One of the most popular and widely used models for analyzing organizational culture in academic research and organizational practice was the Denison model due to its practical applicability and its ability to connect culture with measurable organizational outcomes (Denison et al., 2012).

While Daniel R. was affiliated with the School of Business at the University of Michigan, the Denison organizational culture model was originally developed. The model provides a systematic framework for assessing organizational performance based on mission, consistency, adaptability, and involvement cultural attributes (Denison et al., 2012).

Mission and consistency culture within the Denison framework are primarily associated with organizational stability, direction, profitability, and operational effectiveness and adaptability and involvement are more closely linked to innovation, flexibility, employee participation, and the organization's ability to respond to environmental changes (Denison et al., 2012). Organizations identify cultural strengths and weaknesses through these dimensions and also providing guidance for improving organizational performance. According to the model that a strong and balanced culture contributes significantly to productivity, profitability, innovation, and sustainability and that organizational culture has a direct influence on organizational success (Denison, Hooijberg, Lane, Lief, 2012).

Additionally; the model proposed that productive, profitable, and innovative organizations holds these four essential cultural traits, and these dimensions create an integrated framework for understanding how organizational culture influences organizational performance. The four major cultural traits and their respective sub-dimensions are presented in detail under Figure 2.1 below (Denison et al., 2012).

Figure 2.1 Denison model (Denison, Hooijberg, Lane, Lief, 2012)



Source: Denison model (Denison, Hooijberg, Lane, Lief, 2012)

The interaction of four major cultural traits such as mission, involvement, consistency, and adaptability influences the organizational performance (Denison, Hooijberg, Lane, and Lief (2012). These cultural dimensions determine how effectively an organization performs and responds to internal and external challenges since they are interconnected to each other. The model focuses that organizations with strong cultural characteristics are more likely helps to achieve organizational performance (Denison, Hooijberg, Lane, and Lief (2012).

Mission

The organization's long-term direction, strategic purpose, and future orientation are mission. The extent to which the organization has a clear vision, defined goals, and a strategic path for achieving its objectives is represented by mission. A strong mission helps to align organizational activities with long-term strategic priorities and provides employees with a sense of purpose and direction by clearly communicating what the organization seeks to accomplish in the future. Organizations with a clearly defined mission are better and able to maintain focus and achieve

sustainable performance because employees understand the organization's goals and future expectations (Denison et al. 2012).

Involvement

The degree to which employees participate in organizational activities and decision-making processes are involvement. At all organizational levels; this cultural trait emphasizes employee empowerment, teamwork, capability development, and active participation. Effective organizations want to invest effort in developing employee skills, improving communication, and encouraging collaboration among workers. As employees develop a stronger sense of commitment and responsibility toward organizational success, they become more involved in an organization. In such organizations, employees often feel that they are valuable members of the organization and that their contributions directly influence organizational outcomes. As result, the goals and interests of the organization gradually become shared interests among employees, increasing commitment, motivation, and organizational performance (Denison, Hooijberg, Lane, & Lief, 2021).

Consistency

The degree of integration, coordination, and agreement that exists within the organization is Consistency. Organizational performance is highly related with cultures that demonstrate strong levels of consistency as (Denison and Mishra 2021). Leaders and employees share common values, communicate effectively, and work together when consistent culture is strong in organizations, despite differences in perspectives or opinions. Such organizations establish strong ethical standards, clearly defined core values, and coordinated systems that promote stability and internal harmony. When employees understand acceptable behaviors, organizational expectations, and common goals, the Consistency culture creates a homogenous organizational environment. Consistency culture even increases association among different groups and departments, enabling them to work together efficiently toward shared objectives (Denison, Hooijberg, Lane, & Lief, 2021).

Adaptability

The organization's ability to respond flexibly to environmental changes, customer needs, and stakeholder expectations is adaptability. Organizations are dynamic, customer-oriented, and open to innovation and change when adaptability culture is strong enough. Adaptability culture encourages organizations to continuously learn, develop new ideas, and modify their strategies according to changing market conditions and external demands (Denison, Hooijberg, Lane, & Lief, 2021). One of the most challenging cultural traits to achieve is adaptability culture because it requires organizations to balance stability with continuous change (Denison et al. (2012). Organizations that are willing to take calculated risks, learn from previous mistakes, and remain responsive to new opportunities and challenges are adaptable organization. Managers and employees remain alert during the implementation of new strategic initiatives, and these continuous improvements help organizations create greater value for customers and improve organizational performance (Denison et al. (2012).

Additionally, Denison explained that each of the four major cultural traits consists of three sub-dimensions that provide a more detailed understanding of organizational culture. Empowerment, team orientation, and capability development are sub-dimensions of involvement. Core values, coordination and integration, and agreement are sub- dimensions of consistency. Organizational learning, customer focus, and creating change are sub-dimensions of adaptability. Finally, vision, goals and objectives, and strategic direction are sub-dimensions of mission. Together, these twelve indices form an integrated framework for assessing organizational culture and its effect on organizational performance (Denison, Hooijberg, Lane, & Lief, 2012).

2.1.7 The Concept of Organizational Performance

2.1.7.1 The Concept of performance

Performance refers to the extent to which an individual, group, or organization successfully achieves predetermined goals, objectives, and responsibilities within the workplace (Wayne F. Cascio, 2006). The degree of accomplishment of tasks and responsibilities that form part of an employee's job role is performance of organization (Cascio, 2006). Over the years, different researchers have explained the concept of performance from various perspectives. In most

studies, performance has been associated with the measurement of operational efficiency, productivity, and the relationship between inputs and outputs within organizational activities (Stannack, 1996).

In the contemporary business environment, organizations are increasingly shifting their attention from purely financial assets toward the management of non-financial and intangible assets such as customer relationships, service quality, innovation, organizational reputation, employee capability, and overall organizational performance. Modern organizations now recognize that long-term success depends not only on financial resources but also on intangible organizational capabilities that create sustainable competitive advantage (Robert S. Kaplan and David P. Norton (2001). As a result, to evaluate financial and non-financial aspects of performance organizations require comprehensive and capable performance measurement systems.

Strategic Performance Measurement Systems (SPMS) provide organizations with mechanisms for translating organizational strategies into measurable indicators that assess both financial and non-financial performance dimensions (Chenhall, 2005). Integrated nature of these measurement systems enhances strategic competitiveness by enabling organizations to monitor multiple dimensions of organizational effectiveness simultaneously (Chenhall (2005). However, despite the importance of organizational performance, researchers continue to hold differing opinions regarding its conceptualization and measurement. One of the major debates in organizational studies concerns the appropriateness of different approaches used in defining and measuring organizational performance as (Venkatraman and Ramanujam (2012),.

Organizational performance is commonly understood as the organization's ability to achieve its goals and objectives through the efficient and effective utilization of available resources. Organizational performance refers to the capability of an organization to accomplish its objectives by using resources effectively and efficiently as (Richard L. Daft (2000). And explained organizational performance as the organization's ability to attain its stated goals and objectives (Ricardo (2001).

At the same time, researchers have argued that organizational performance has long suffered from both definitional and conceptual challenges. According to Heffernan and Flood (2000), the

concept of organizational performance lacks conceptual clarity in several areas, particularly regarding its definition and measurement. One major issue identified by these scholars is the frequent confusion between the concepts of performance and productivity. Ricardo (2001) emphasized that productivity and performance are not identical concepts. Productivity generally refers to the ratio between output and the amount of time or resources used to produce that output. Performance, however, is a broader concept that includes productivity together with additional dimensions such as quality, consistency, effectiveness, innovation, and customer satisfaction. Therefore, productivity may be considered one component of overall performance rather than a complete representation of it.

Performance is a widely applied concept across many disciplines and organizational settings. In general terms, it measures how successfully a process, system, employee, or organization fulfills its intended purpose. Moullin (2003) defined organizational performance as the extent to which an organization is effectively managed and the value it delivers to customers and other stakeholders. Similarly, Neely et al. explained performance as the measurement of both organizational effectiveness and efficiency. In this context, effectiveness refers to the degree to which stakeholder expectations and organizational objectives are achieved, whereas efficiency refers to the economical use of organizational resources while maintaining customer and stakeholder satisfaction. Accordingly, performance can be understood as the ability of an organization to utilize its resources efficiently and effectively in achieving desired objectives and expected outcomes.

Furthermore, Daniel R. Denison (2008) defined performance as the successful achievement of both financial and non-financial objectives that enable organizations to remain competitive, sustainable, and viable in both the short term and the long term. This perspective highlights the multidimensional nature of organizational performance and emphasizes that long-term organizational success depends on balancing financial outcomes with broader organizational and stakeholder-related objectives.

2.1.7.2 Performance Measurement

However performance measurement has received considerable attention from researchers and practitioners, its definition remains widely debated in management literature. Performance measurement refers to a system of metrics and indicators used to quantify both the efficiency and effectiveness of organizational actions and activities. Performance measurement therefore enables organizations to evaluate how well they are functioning and whether they are achieving their strategic objectives (Neely et al. (2000).

The process of assessing how effectively organizations are managed and the value they create for customers and stakeholders is performance measurement as (Moullin, 2003). He further argued that this definition clearly demonstrates the purpose of performance measurement by emphasizing not only organizational outcomes but also the quality of management practices used to achieve those outcomes. From this perspective, performance measurement is not limited to financial evaluation alone; rather, it also focuses on customer satisfaction, stakeholder value, operational effectiveness, and service quality.

In addition, more detailed explanation of performance measurement by describing it as a process that enables organizations to assess the extent to which they are progressing toward predetermined goals and objectives provided by (Amaratunga and Baldry (2002). Performance measurement helps organizations identify areas of strength and weakness, evaluate current practices, and make informed decisions regarding future improvement initiatives. This definition highlights both the evaluative and strategic roles of performance measurement in improving organizational effectiveness and supporting continuous organizational development; According to these scholars,.

2.1.7.3 Measurement of Organizational Performance

Previous studies have used a wide range of variables such as profitability, gross profit, return on assets (ROA), return on investment (ROI), and return on equity (ROE), return on sales (ROS), revenue growth, market share, stock price, sales growth, export growth, liquidity, and operational efficiency to measure organizational performance (Parnell & Wright, 2013). These indicators are widely applied because they provide measurable evidence regarding how

effectively an organization achieves its objectives and utilizes its resources. However, there has been inconsistency in the measurement of organizational performance across different studies despite the extensive use of these indicators. To evaluate organizational performance; many researchers relied on quantitative financial indicators such as return on investment and return on sales including (John P. Kotter and James L. Heskett (2012).

Efficiency-related and effectiveness-related dimensions are included under concept of organizational performance. The measures that focus on the relationship between inputs and outputs are efficiency measures, while the measures that emphasize broader outcomes such as business growth, customer satisfaction, employee satisfaction, and the achievement of organizational goals are effectiveness measures. In addition, financial and non-financial indicators obtained from objective and perceptual sources have used to measure organizational performance. The secondary financial data such as return on assets return on investment, and profit growth usually involves on the objective of performance measures. These objective indicators are considered relatively unbiased and are particularly useful in studies conducted within a single industry because they allow uniform comparison among organizations (Venkatraman and Ramanujam (2012).

2.1.7.4 Functions of Performance Measurement

In today's competitive business environment, effective managerial decisions require accurate and reliable performance information and organizations depend heavily on the decision-making capabilities of managers. Performance measurement provides organizations with valuable information that supports strategic planning, operational control, and continuous improvement. Different stakeholders including managers, employees, shareholders, and customers, use performance information for different purposes (Neely, 2013). For instant, Managers on organizations uses performance measurement as a tool for controlling organizational activities and ensuring that the organization remains aligned with its strategic objectives. In this sense, performance measurement functions as a control and monitoring system that assists organizations in formulating and implementing business strategies effectively (Neely, 2013).

The functions of performance measurement generally categorized into four major areas According to (Neely, 2013):

1. Checking Position: This function focus on identifying the organization's existing status of performance and tracking its progress over time against to predetermined goals, standards, or industry benchmarks. It helps organizations understand whether they are improving or declining in key performance areas (Neely, 2013).

2. Communicating Position: By providing relevant information to stakeholders such as shareholders, customers, employees, and regulatory bodies, performance measurement even serves as a communication tool. Annual reports, meetings, presentations, and other formal communication channels are communication tool of performance outcomes for organizations (Neely, 2013).

3. Confirming Priorities: Organizations use Performance data to identify what areas require the greatest attention and improvement. Organizations determine strategic priorities and allocate resources more effectively by revealing strengths, weaknesses, and performance gaps (Neely, 2013).

4. Compelling Progress: Organizations and employees are encouraged by performance measures in order to search for ways to enhance organizational performance and focus on particular improvement areas. Performance indicators are also the basis for reward systems, employee motivation, and organizational accountability (Neely, 2013).

2.1.8 Balanced Scorecard

One of the most widely recognized frameworks for measuring organizational performance is the balanced Scorecard and developed by Robert S. Kaplan and David P. Norton (1996) as a comprehensive approach that combines financial and non-financial performance indicators. The Balanced Scorecard incorporates additional dimensions such as customer satisfaction, internal business processes, innovation, and organizational learning unlike traditional performance measurement systems that focus mainly on financial outcomes. These operational and strategic measures act as main drivers of future financial performance and long-term organizational success (Kaplan and Norton, 2020).

Organizational performance should be evaluated from four major perspectives such as financial perspective, customer perspective, internal business process perspective, and innovation and learning perspective is suggested by the Balanced Scorecard (Kaplan and Norton, 2020).

Financial Perspective

This perspective is one of the most commonly used indicators of organizational performance. It is the traditional approach to performance measurement of organization. Profitability, return on assets, return on investment, return on equity, market value, liquidity, and other financial ratios are measures of finance and help organizations to evaluate their financial stability, profitability, and overall economic performance. To improved financial outcomes and shareholder value financial measures are important because they determine whether organizational strategies and operations contribute (Kaplan and Norton, 2020).

Customer Perspective

Identifying and addressing customer needs, expectations, and satisfaction levels are the focuses of customer perspective. To build customer loyalty and maintain long-term relationships with customers, this perspective helps organizations. To effectively apply the Balanced Scorecard, organizations should include performance indicators such as customer satisfaction, customer complaints, customer retention, customer profitability, timely product delivery, and the introduction of new products or services (Kaplan and Norton, 2020). The organizations goals such as Quality, service, time, and performance must be clearly defined by organizations to convert those goals into measurable indicators. While maintaining customer satisfaction, organizations must remain sensitive to product and service costs (Kaplan and Norton (2020).

Internal Business Process Perspective

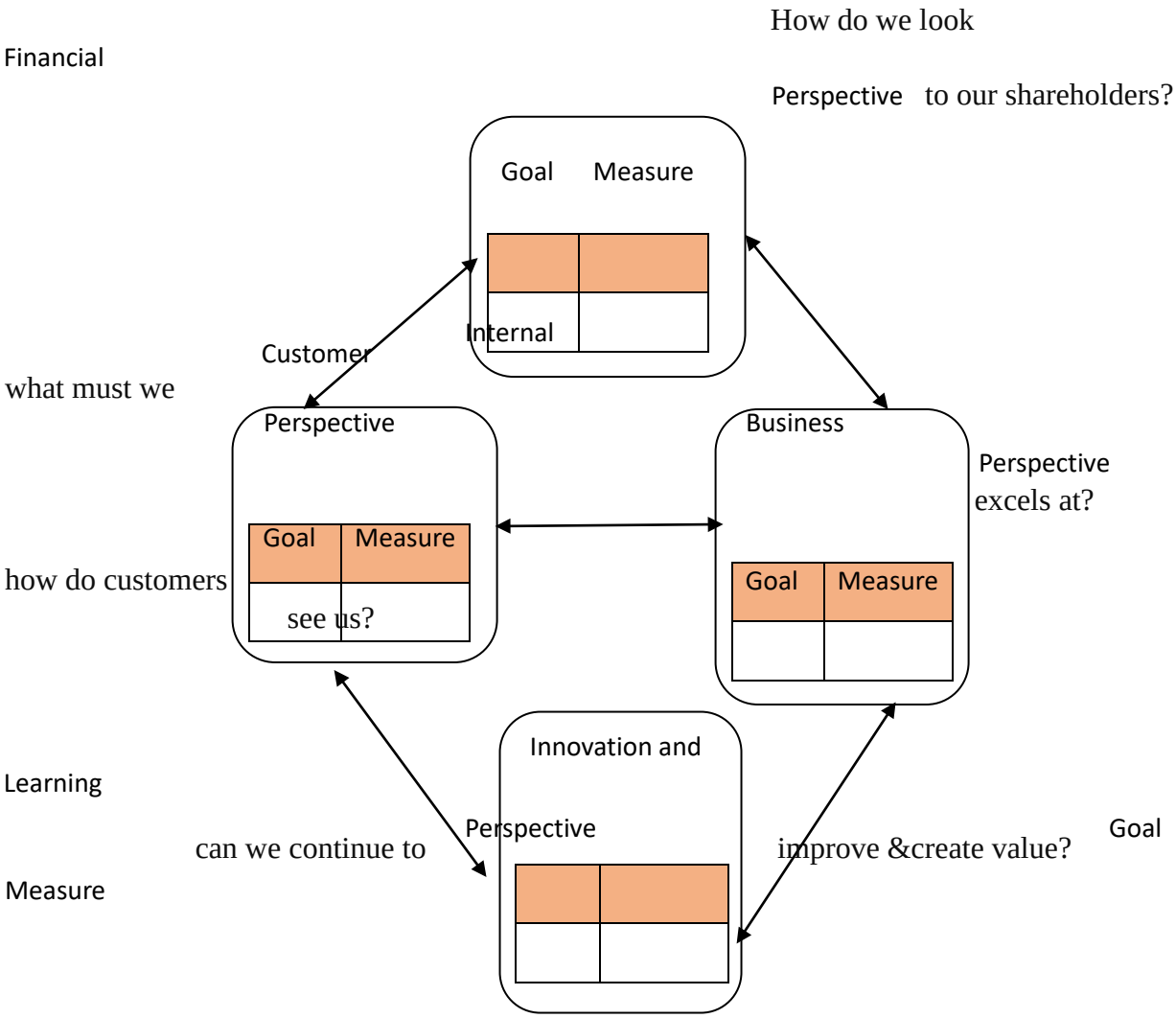
Identification, improvement, and management of critical internal processes are the focus area internal business process perspective and create competitive advantage and enhance customer satisfaction. When internal operations are carried out efficiently and effectively, organizations can achieve financial success and satisfy customers only, base of this perspective assumption (Kaplan and Norton, 2020). Therefore, performance measures under this perspective often focus on operational efficiency, service quality, productivity, process improvement, and the organization’s ability to deliver products and services that meet customer expectations. Efficient

internal processes contribute directly to organizational competitiveness and long-term sustainability (Kaplan and Norton, 2020).

Innovation and Learning Perspective

In the modern knowledge-based economy, for long-term organizational growth and competitiveness, innovation and organizational learning have become critical factors because innovation and learning perspective focuses on the organization's ability to develop new ideas, improve capabilities, and adapt to changing environments (Kaplan and Norton (2020). The following indicators uses to measure innovation and learning perspective such as employee training and development, information technology utilization, speed of transactions, development of new products and services, strategic partnerships, and continuous improvement initiatives. Organizations that continuously innovate and learn improve their operational performance, strengthen competitiveness, and create greater value for shareholders and stakeholders (Kaplan and Norton (2020).

Figure 2.2 the Balanced Scorecard



Source: Kaplan and Norton (2020)

The four perspectives of the Balanced Scorecard model are viewed as being closely connected through a cause-and-effect relationship. The improvement in one perspective directly influences performance in the others, creating an integrated system for evaluating organizational success According to (Robert S. Kaplan and David P. Norton (2020).

For instance, strong financial performance is largely dependent on customer loyalty and customer satisfaction. In turn, customer satisfaction is influenced by the efficiency and quality of the organization's internal business processes. Similarly, effective internal business processes rely heavily on employees' skills, knowledge, learning capacity, and continuous development.

This demonstrates that organizational growth and financial success cannot be achieved independently; rather, they result from the combined interaction of learning and growth, internal processes, customer satisfaction, and financial outcomes (Kaplan and Norton, 2020).

2.2. Empirical Review

2.2.3. Empirical review on Culture

In the modern business environment, organizations are continuously challenged to introduce innovative products and services in order to remain competitive and achieve sustainable growth. Despite the importance of innovation for organizational success, companies differ significantly in their ability to develop innovation capabilities and achieve innovative outcomes (Hambrick, 2007; Hambrick & Mason, 2004). As a result, increasing attention has been given to the relationship between organizational culture and organizational performance. Research examining the relationship between organizational culture and performance has grown considerably over the past two decades According to (Lim, 2012).

Many researchers focused strongly on what became known as the "Strong Culture Theory" during the 1980s. This perspective emphasized that organizations with strong shared values and beliefs were more likely to achieve superior performance. Since successful firms possessed strong organizational cultures characterized by clearly shared values and norms, high-performing organizations could be distinguished from low-performing organizations argued by (Thomas J. Peters and Robert H. Waterman Jr, 2012). Strong cultures created employee commitment, coordination, and motivation, which ultimately enhanced organizational performance according to their argument.

Organizational performance could be improved through the development of strong shared organizational values similarly suggested by (Deal and Kennedy, 2002). However, this perspective later received criticism from several scholars. The Strong Culture Theory argued that relationship between organizational culture and performance is more complex than the simple assumptions proposed by Researchers such as Carrol (2012), Reynolds (2016), and Saffold (2013). These scholars emphasized that a straightforward relationship between culture and performance could not fully explain organizational realities and that more comprehensive and

sophisticated approaches were necessary to understand how culture influences organizational outcomes.

In the 1990s, scholarly attention shifted toward the "Theory of Adaptability," which focused on the importance of organizational flexibility and the ability to respond to environmental changes. The studies conducted that examining the relationship between organizational culture and organizational performance by the researchers such as Denison (2012), Gordon and DiTomaso (2002), John P. Kotter and James L. Heskett (2012), and Lee (2006). However, their findings regarding the relationship between culture strength and performance were inconsistent. While some studies found positive relationships between strong organizational culture and improved organizational performance, others reported mixed or inconclusive results.

Based on the empirical evidence regarding the influence of organizational culture practices on organizational performance remained limited and inconsistent the works of (Daniel R. Denison and Mishra, 2012), as well as the assumptions of the Strong Culture Theory, were also criticized by later scholars. Nevertheless, they acknowledged that organizational culture continued to provide an important foundation for further research on organizational effectiveness and management practices was pointed out (Wilderom and Berg, 2008). Support for the importance of organizational culture in organizational studies was also provided by scholars such as Geert Hofstede (1990), House et al. (2004), Pfeffer (1997), and Wilderom (1998), who emphasized that organizational culture, plays a significant role in shaping organizational behavior and performance outcomes.

Furthermore, strong relationship between market-oriented culture and business performance found from empirical studies conducted between 1990 and 2007 involving more than 7,619 companies and small business units across 26 countries. These findings suggest that organizations with cultures that emphasize competitiveness, customer orientation, adaptability, and market responsiveness tend to achieve better organizational outcomes and stronger competitive advantage.

2.2.4 Empirical review on performance

The concept of performance measurement originated from early accounting systems developed to help pre-industrial organizations maintain records of transactions, inventories, and operational activities. Before the 1980s performance measurement systems were mainly developed within large industrial organizations and focused primarily on a limited number of financial indicators According to (H. Thomas Johnson and Robert S. Kaplan, 2012). These traditional systems mainly emphasized measures such as profitability, productivity, and financial returns.

However, by the early 1980s, organizations began operating in increasingly complex and competitive environments, making it insufficient to rely solely on financial indicators when evaluating organizational success. Because organizations failed to assess important non-financial dimensions such as customer satisfaction, innovation, employee development, and operational flexibility, financial measures alone could no longer adequately capture organizational effectiveness argued by (Kennerley and Neely, 2002).

The evolution of performance measurement literature can generally be divided into two major phases According to (Ghalayini and Noble, 2014). The first phase began in the late 1880s and continued until the 1980s. Performance measurement focused mainly on financial indicators such as profitability, return on investment, and productivity during this period. As a response to significant changes in global markets and corporate environments; the second phase emerged in the late 1980s. Both financial and non-financial dimensions of organizational performance introduced broader performance measurement approaches during this phase.

2.2.5 Studies about performance measurement

The term performance used to describe various forms of organizational measurement by researchers and practitioners, including input efficiency, output efficiency, and transactional efficiency (Stannack, 2006). However, there is no single universally accepted measure of organizational performance because organizations pursue different objectives and adopt different methods for evaluating performance as (Doyle, 2004). Consequently, based on their strategic priorities, operational activities, and organizational goals; organizations select performance indicators.

One major criticism of traditional performance measurement systems is their excessive focus on financial indicators and past organizational performance. Many traditional systems were criticized for failing to align performance measures with organizational strategies and long-term goals. In addition, these systems were often internally focused and did not adequately consider external factors such as customer satisfaction, market competitiveness, and innovation capabilities that are essential for maintaining long-term competitive advantage.

To address these limitations, seven categories of financial, non-financial, and composite measures for evaluating export performance based on a review of empirical studies conducted between 1987 and 1997 by (Zou and Stan, 2008). The financial measures are sales performance, profitability, and growth indicators, while non-financial measures are perceived success, customer satisfaction, and goal achievement. Financial measures are generally considered more objective according to these scholars because they rely on measurable quantitative data, whereas non-financial measures are more subjective because they often depend on perceptions, opinions, and qualitative evaluations. Nevertheless, financial and non-financial indicators are important for achieving a comprehensive understanding of organizational performance.

2.2.4 Studies on the effect of organizational culture on performance

From a management perspective, organizational culture emerged as an important area of research and practice during the 1980s, following earlier management approaches such as scientific management and experience-based management (John P. Kotter & James L. Heskett, 2012). Since then, organizational culture has attracted increasing attention from both researchers and practitioners because of its potential influence on employee behavior, organizational processes, and overall organizational performance.

Although many scholars have devoted significant attention to defining and explaining organizational culture, relatively fewer studies have focused specifically on examining the relationship between organizational culture and organizational performance. One of the major reasons for this limitation has been the complexity involved in operationalizing and measuring the concept of organizational culture as (Reichers and Schneider (2010). Because culture includes values, beliefs, assumptions, behaviors, and shared meanings, it has often been difficult

for researchers to develop precise and consistent methods for measuring its impact on organizational outcomes.

In an effort to address some of these measurement limitations, studies were conducted and aimed at improving the assessment of organizational culture (Rousseau, 2010). The findings of the study indicated that there were no strong positive correlations between organizational culture and employee performance. However, despite these mixed findings, several later studies continued to support the argument that a meaningful relationship exists between organizational culture and organizational performance. Although the relationship may vary depending on organizational context and measurement approaches, after critically reviewing previous research methodologies and findings, concluded that organizational culture does indeed influence organizational performance, (Lim, 2005).

Similarly, that organizational performance is influenced by the extent to which organizational values are widely shared and accepted among employees were argued by (Daniel R. Denison, 2012). Employees are more likely to demonstrate commitment, cooperation, and behaviors that contribute positively to organizational effectiveness when they strongly identify with organizational values and norms. In this regard, organizational culture becomes an important mechanism for guiding employee behavior and shaping organizational outcomes.

Organizational culture not only shapes organizational processes but is also continuously influenced and modified by those same processes and further explained that the relationship between organizational culture and performance is more complex than many earlier studies suggested (Saffold, 2012). Because of the important functions it performs within organizations, many researchers and successful managers continue to emphasize the importance of strong organizational culture for business success.

First, organizational culture serves as a form of social control that influences employees' attitudes, decisions, and behaviors. Culture guides employees regarding acceptable and unacceptable behaviors within the organization through shared values and norms.

Second, organizational culture acts as social glue that strengthens relationships among employees and creates a sense of belonging and unity within the organization. This sense of attachment is important for attracting talented employees, retaining skilled workers, and building employee commitment to organizational goals.

Third, organizational culture supports the sense-making process within organizations by helping employees understand organizational events, objectives, and expectations. When employees clearly understand the organization's goals and values, they are more likely to work efficiently and effectively toward achieving organizational objectives.

Furthermore, that both strong and weak organizational cultures influence organizational behavior, although strong cultures generally have a greater positive effect on organizational performance argued by (Deal and Kennedy, 2002). In organizations with strong cultures, employees' personal goals are more closely aligned with management goals, which contribute to higher levels of cooperation, motivation, and organizational effectiveness.

Similarly, that organizational culture can become a source of sustainable competitive advantage as (Jay B. Barney, 2001). Organizational culture contributes to long-term organizational success when three major conditions are fulfilled according to Barney. First, the culture must be valuable and capable of improving organizational effectiveness. Second, the culture must be rare and possess unique characteristics that distinguish the organization from competitors. Third, the culture must be difficult for competitors to imitate. When these conditions exist, organizational culture can become a strategic resource that supports sustainable organizational performance and competitiveness.

Overall, organizational culture has a significant influence on organizational performance as the empirical evidence discussed above indicates. Therefore, it is important for organizations and management bodies to understand how cultural factors affect organizational outcomes so that they can strengthen positive cultural practices and improve organizational effectiveness. This understanding is particularly important for organizations seeking long-term sustainability, innovation, employee commitment, and improved non-financial performance outcomes.

Accordingly, the present study primarily focuses on non-financial aspects of organizational performance and examines how organizational culture influences these performance dimensions.

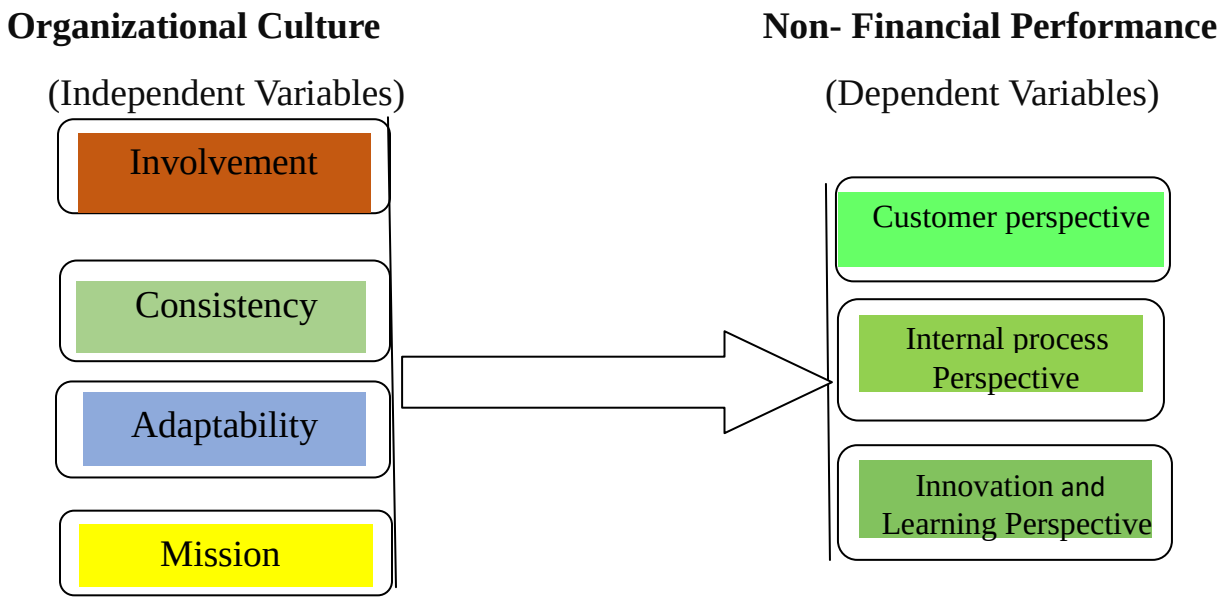
2.3 Conceptual Framework

The present study adopted the Denison organizational culture model because it provides a comprehensive framework for identifying and measuring the underlying beliefs, assumptions, and cultural characteristics that influence organizational performance. The model consists of four major dimensions of organizational culture such as involvement, consistency, adaptability, and mission. These four cultural dimensions are believed to have a direct relationship with organizational effectiveness and performance outcomes According to (Denison, Hooijberg, Lane, and Lief, 2012).

The Denison model further suggests that organizations demonstrating higher combined levels of these four cultural traits tend to achieve higher levels of organizational performance. In this framework, organizational performance is viewed as an outcome of effective performance management practices that are strongly influenced by organizational culture (Denison et al, 2012).

Organizational culture is considered as an important contextual factor influencing organizational performance in the context of this study. The study specifically focuses on non-financial dimensions of performance such as customer perspective, internal business process perspective, and innovation and learning perspective and these dimensions are derived from the Balanced Scorecard framework.

Figure 2.3 Conceptual Framework



Source: (Denison, Hooijberg, Lane, Lief, 2012)

2.4 Research Hypothesis

Based on the reviewed literature and theoretical framework, the following research hypotheses were formulated to analyze the organizational culture dimensions effects on organizational performance in selected polytechnic colleges:

1. **H1:** Employee involvement has a significant effect on organizational performance in selected Polytechnic College.
2. **H2:** Employee consistency has a significant effect on organizational performance in selected Polytechnic College.
3. **H3:** Employee adaptability has a significant effect on organizational performance in selected Polytechnic College.
4. **H4:** Organizational mission has a significant effect on organizational performance in selected Polytechnic College.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Methodology

The research methodology that was employed for data collection as well as analysis of research findings were presented in this chapter. Therefore, overview of the target population, research approach and design, data sources and types, data collection methods, instrument validity and reliability, sample design, unit of analysis, unit of observation, sampling frame, sample size determination, data processing and analysis method that carried to perform under this part of the study.

3.2 Research approach

Quantitative approach to gather relevant data to determine how organizational cultures (independent variables) are associated with organizational performance (dependent variable) were used by the study in selected polytechnic colleges. The generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion involved and used in research when the goal is to measure, quantify, and test relationships between variables using numerical data in the quantitative approach (Kothari, 2004). Descriptive and inferential type premised to describe the findings in this study also employed. Organizational performance was the study dependent variable while organizational culture was independent variables. To analyze variables of the study structured questionnaire was developed and used as the main research instrument for the study.

Deductive approach was adopted in this study since existing theories and models were considered as foundation of further investigation and the hypotheses that is accepted or rejected on the base of empirical data collected from the target population were formulated by the researcher (Arbnor & Bjerke, 1994; Hyde, 2000; Bryman & Bell, 2005).

3.3 Research Design

Research design refers to a structured plan or framework for conducting a study. Outlines the methods and procedures used to collect and analyze data (Creswell, 2014). Therefore; to

examine and describe the effect of organizational culture on the performance in the case of selected Polytechnic College this study used descriptive research design.

3.4 Types and sources of data

3.4.1 Primary Source

Primary and secondary source were the relevant data source for this study. Data collected through structured questionnaire from the employees still working in selected Polytechnic Colleges were the primary data.

3.4.2 Secondary Source

Annual reports, books, articles and webpage of the selected Polytechnic colleges were the secondary sources for the literature review about organizational culture and performance.

3.5 Population and Sample Size

3.5.1 Target Population

Population refers entire aggregation of items from which samples can be drawn. As the data from the human resource department of each selected colleges population have a total of 998 permanent employees. Accordingly, the study focused only on selected academic and administrative units within the selected colleges. By narrowing the focus to the selected colleges, the study was sought to generate valid and reliable findings that accurately reflect the institutional practices and conditions under investigation.

Based on the data above from selected colleges the researcher decided the population size of these study employees only working under selected polytechnic colleges.

3.5.2 Sampling Frame

Target population of this study was employees of selected Polytechnic Colleges only. The sample size was drawn from the target population to get a representative sample size of the population of interest (Bryman & Bell, 2005).

Sample survey was used and chosen due to the time, data constraints, finance constraints, Respondent Unwillingness to respond and return information promptly and other restrictions in order to complete this study.

3.5.3 Unit of Analysis and Unit of Observation

Selected polytechnic colleges employees were the unit of analysis for this research at organizational level and employees working at different departments, job position and functional level of the selected polytechnic colleges was the unit of observation at individual level.

3.5.4 Sample Size

For this study; Representative sample was draw using Yamane's formula and guided in selecting the appropriate sample size for the college employees in the study. The working sample was guide by Yumane"s form (Yumane, 2001).

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

Where;

n: refers the sample size

N: refers the population

1: refers a constant

e^2: refers the estimated standard error which is 5% for 95% confidence level

$$\mathbf{n = 998/1+998(0.05^2) =286}$$

The researcher used confidence interval of 95%, which is the level of certainty whether the response for each question is the true answer or not. 5% margin of error refers the amount of error from difference in the responses the researcher can tolerate when drawing a conclusion from the data. Accepted representative sample size of the target population was 286 employees. Therefore; 286 questionnaires were distributed to selected Polytechnic Colleges employees proportionately with respect to their job category and position composition.

3.5.5 Sample size Determination of Target Colleges

Proportionate stratified sampling technique used so as to decide on the number of employees that were accessed with questionnaires of the research. Since; the number of sampling unit drawn from each stratum is in proportion to the population size of that stratum. Therefore, the researcher **used the stratified sample formula *(Sample size of the strata = size of entire***

sample / population size * size of the stratum) to calculate the proportion of employees from each group. The calculation undertaken was discussed in table 3.1 below;

Table 3. 1: Stratified sample size of target colleges

Polytechnic Colleges	**Population/Size of Employees**	**Stratified sample size**
Tegbareid Polytechnic College	124	286/998*124 = 36
Nefas Silk Polytechnic College	167	286/998*167 = 48
Tafari Mekonnen Polytechnic Colleges	402	286/998*402 = 115
General Wingate Polytechnic College	305	286/998*305 = 87
Total	**998**	**286**

Source; Own computation, 2026

3.6 Data collection method/instrument

If there is a link between organizational culture and organizational performance, and explore the effect of organizational culture on the selected polytechnic colleges performance the analyze was tried by the researcher. To gain insights and background information about the effect of different types of organizational culture on the organizational performance different literatures and empirical studies were reviewed. The measurement scale developed by Daniel Denison (2012) and Norton and Kaplan (2020) helped to better understand the problem of the study for the independent variable culture and performance respectively since combining them allowed the study to examine the effect of specific cultural factors on measurable performance outcomes, ensuring the research is grounded in established theoretical frameworks.

The questionnaire was developed for the data collection method that having three parts. The respondents basic/demographic information was Part I, questions to assess the respondent's level of agreement on the culture aspects of the some selected polytechnic college was Part II and questions to assess to what extent the performance is achieved according to the respondent was Part III.

Closed ended questions were measurement scales with Likert scale applied from Strongly Disagree (1) to Strongly Agree (5) to what extent the respondent agree for dependent and independent variables list of questions.

3.6.1 Data Collection Procedure

First, the advisor gave approval for the study proposal. Formal letter was sent to selected polytechnic colleges after the proposal approved to request a permission to carry out the study. The printed questionnaires were physically distributed to the respondents. Two days given for respondents to fill in the questionnaire and then the researcher collected all the questionnaires through the office mail delivery channel.

3.6.2 Data Content

Data was collected from employee of selected Polytechnic Colleges through structured questionnaire were the primary. Closed ended questionnaire used for gathering information from employees of selected polytechnic colleges to analyze the effect of organizational culture on the performance. Annual report of the colleges, books, journals, articles, organization website, was secondary source of the study.

Data collection instrument in this research was structure questionnaire having three parts such as part I, part II and part III but part II and part III were measured the organizational cultures of the case in the study and its performance respectively. Therefore; organizational culture measured using Denison organizational culture the measurement dimension adapted. Involvement, consistency, adaptability and mission were four sub scales, measured cultural traits using a 5 - point Likert scale, on which label given for respondent to express their level of agreement for each item among the scales and then the average score on each trait was used during data analysis and interpretation. In addition, non-financial performance measurement used to organizational performance questionnaire. This organizations level of non-financial performance contains nine (9) items that measured through three perspectives which are customer perspective, internal process perspective and innovation and learning perspective and the measure had done using a 5-point scale ranging from, 1- to a very little extent‟ to „ 5- is to a very great extent‟ based on the BSC (Norton and Kaplan 2010).

3.7 Instrument Quality Criteria

Validity and reliability are the main criteria used to judge quality in quantitative research. Validity is to what extent a measurement actually measures the (it) measure. In most quantitative studies, validity is regarded as a hallmark criterion for evaluation of the adequacy of measurement. There are different forms of validation: content validity, construct index validity and others. These approaches combined aim to guarantee that instruments sufficiently capture constructs of interest (Bryman& Bell, 2005; Yin, 2009).

Reliability refers to the degree to which some variables or set of variables is consistent in what it is intended to measure" (Hair et al, 2007). Consistency of a questionnaire was measured by reliability analysis. Validity and reliability measures needed assess before using the instrument of data collection. The instrument accuracy measured by Validity while the consistency measured by reliability measurement (Hair et al., 2003).

3.7.1 Content validity

Content validity refers to face validity. It reflects how well a measurement shows the content of a construct since it is a subjective and systematic view. Content validity was established by asking different people if they believe that the concept appear in the measurement is appropriate and suitable. The best way to achieve this is by asking experts and researchers who do have knowledge and experience in the study area to make comment on questionnaires (Bryman & Bell, 2005).

The researcher was hand over the questionnaires to Addis Ababa university assistant professors to make evaluation and comment on proposed questionnaires during pre-testing of questionnaire and then questionnaires were edited after ensuring the proper validation.

3.7.2 Construct validity

The degree to which the instrument accurately operationalizes the theoretical construct under investigation is called Construct validity. Construct validity used to encourage researchers to deduce hypothesis from a theory that is relevant to the concept (Yin, 2009). The researchers was spend valuable time on gathering and reviewing various sources of literatures that are related

with the study area so as to make decision on relevant variables for the study problem and research gap identified earlier.

3.8 Method of Data Analysis

Statistical Package for Social Sciences (SPSS) version of 25 was used to analyze and interpret the data. The study employed descriptive and inferential analysis methods. Since the study design was cross-sectional data (single point in time). Pearson Correlation and regression analysis of inferential analysis used to examine the relationship between study variables and to assess the effect of the organizational culture on organizational non-financial performance. The variables were summarized and provided an initial understanding of patterns in the data using descriptive statistics including (mean and standard deviation) and correlation matrices.

Finally; the descriptive and inferential analysis used to interpret major findings based on the result from and the conclusion drawn from those outcomes. All the data were analyzed using SPSS version 25.

3.9 Ethical Aspects of Research

For reasons of ethics, every effort was made to prevent plagiarism. The text was paraphrased without copying and quotations were used only when necessary. To maintain the originality of the collected data and to avoid overgeneralizations that could potentially affect the study's findings due care was taken. The research ethics involve ensuring voluntary participation, preventing harm to respondents, maintaining anonymity and confidentiality, and clearly communicating the purpose of the study, including the identity of sponsors and how the information will be analyzed and reported (McNamara 2001). Respondents provided information was handled confidentially and used strictly for the purposes of this study.

The formal permission was obtained before distributing the questionnaires. Respondents were also approached appropriately, and the study's significance and purpose were explained to them. Finally, the responses were processed through careful encoding and the original answers of the data was entered from the target respondents, and based on the analysis of the actual data collected from the sample the report was prepared.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS & INTERPRETATION

4.1 Introduction

Analyzing, interpreting and presenting empirical data about the effect of Organizational Culture on the organizational performance taking in selected polytechnic college is the objective of this chapter. The data was collected through structured questionnaires and data was analyzed using Statistical Package for social Science (SPSS) version 25. Introduction, response rate, demographic characteristics of respondents, involvement culture, consistency culture, adaptability culture, mission culture, and non-financial performance were main topics this chapter. Finally, using correlation and regression analysis; the chapter presented the relationship and effect of organizational culture on performance.

4.2 Response Rate of the Respondents

For employees of selected polytechnic college 286 questionnaires were distributed and all questionnaires were collected and the response rate was 100%.

Table 4.1 Rate of Response

Target population	Total Distributed questionnaire	Returned Questionnaire	Not Responded	Rate of Response
286	286	286	0	100%

Source: (SPSS Output Own Survey Result, 2026)

4.3 Demographic Profile of Respondents

The demographic characteristics of respondents were the first part of that the questionnaire consists. The variables that were summarized and measured on the following tables are Gender, Age, educational qualification, years of service at college and their job category at college.

Table 4.2: frequency table for Demographic Profile of Respondents

Description		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	163	57.0	57.0	57.0
	Female	123	43.0	43.0	100.0
	Total	**286**	**100.0**	**100.0**	
Age	21–30	91	31.8	31.8	31.8
	31–40	71	24.8	24.8	56.6
	41–50	74	25.9	25.9	82.5
	51 and above	50	17.5	17.5	100.0
	Total	**286**	**100.0**	**100.0**	
Education	Diploma	43	15.0	15.0	15.0
	First Degree	136	47.6	47.6	62.6
	Post-Graduate and above	107	37.4	37.4	100.0
	Total	**286**	**100.0**	**100.0**	
Experience	Below 5 yrs	56	19.6	19.6	19.6
	6–10 yrs	87	30.4	30.4	50.0
	11–15 yrs	95	33.2	33.2	83.2
	15 yrs and above	48	16.8	16.8	100.0
	Total	**286**	**100.0**	**100.0**	
Job	Management staff	50	17.5	17.5	17.5
	Academic Staff	83	29.0	29.0	46.5
	Professional Staff	49	17.1	17.1	63.6
	Administrative Staff	104	36.4	36.4	100.0
	Total	**286**	**100.0**	**100.0**	

Source: (SPSS Output Own Survey Result, 2026)

The summery of the above 4.2 table of the demographic Profile of respondent's gender part shows and imply that (163) 57.0% of the respondents were male and (123) 43.0% were female. There was gender balance in distributed questionnaires as the above data of gender distribution. Female respondents were less than male respondents as the above result indicated and hence the data collected is not expected to be distorted by factors relating to gender distribution, there was diversity in the respondents.

Demographic Profile of respondent's age section in 4.2 table above, implies 91 (31.8%) of respondent were between 21- 30 year, 71 (24.8%) of respondent were between 31–40 year, respondents who fall within 41–50 age range were 74(25.9%), and the remaining 50 (17.5 %) of the respondent were 51 and above year. This shows that age distribution of the sample respondent was evenly distributed and participant from all age categories has taken part in the study.

Within demographic Profile of respondents education category (in the table 4.2), shows that majority of the respondent were First Degree holder and consists (136) 47.6% of total respondent on the other hand 107 (37.4.2%) responded they hold Post Graduate and above and the remaining 43 (15.0%) of total respondent hold diploma. This shows that respondents have basic knowledge and literacy level to understand and provide proper response for the questionnaires they were requested to answer.

In the demographic Profile of respondents experience section (in the table 4.2), shows that majority 95 (33.2%) answered by those who had 11–15 yrs experience in their organization, there were 87 (30.4%) respondents from 6–10 yrs experience in their organization, there were also 56 (19.6%) respondents falls Below 5 yrs experience in their organization and the other 48 (16.8%) have been working 15 yrs and above in their organization. This implies most respondent have enough experience and can provide useful information of their respective organizations about organizational culture and organizational performance practice.

Demographic Profile of respondents job category (in the table 4.2), shows that in the selected polytechnic college that majority of respondents were employees working at Administrative Staff and they constituted 104 (36.4%) of total respondent. 50 (17.5%) of respondent were from

Management staff, 83 (29.0%) of respondent were from Academic Staff and 49 (17.1%) of respondents were from Professional Staff.

4.4 Descriptive Analysis of Organizational Culture

At selected polytechnic college, employees were asked to give their level of agreement to statements with regard to the four dimensions in order to understand the organizational culture. Descriptive statistics of mean and standard deviation used to analyze employees rating in five points of Likert scale. A 5-point Likert scale that used to rate the indicators 1 = strongly disagree‟, 2 = Disagree, 3= Neutral, 4 = Agree‟, and 5 = Strongly Agree‟. The analysis results of selected polytechnic college that presented in subsequent tables each deals with one dimension of organizational culture.

The mean score below 3.39 is considered as low, the mean score from 3.40 up to 3.79 is considered as moderate and mean score above 3.8 is considered as high according to (Zaidation and Bagheri 2009). In this part; at selected polytechnic college frequency distribution and the percentage of respondents for each dimension of organizational culture used were the Denison's culture components such as Involvement, Consistency, and Adaptability and Mission culture.

4.4.1 Effect of Organizational Culture Involvement on Performance

The involvement dimension of the organizational culture of selected polytechnic college was discussed in this part. Empowerment, team orientation and capability development were three sub-dimensions of involvement culture that is evaluated. Under 4.3 tables below; the result of the analysis is depicted.

Table 4.3 The Involvement Cultural Dimension in Selected Polytechnic College

Description	N	Mean	Std. Dev
In College decisions are made at the levels where the right information is available.	286	3.49	1.253
Employees believe that they have a positive impact on college performance.	286	3.41	1.375
Information is widely shared so that employees can access the information they need easily.	286	3.51	1.345

Cooperation across different parts of the organization is highly encouraged.	286	3.51	1.332
Teamwork is used to get work done, rather than to keep the Hierarchy.	286	3.70	1.300
Employees work as they are part of a team.	286	3.35	1.440
Authority is delegated so those, employees can act by their own up to their discretion limit.	286	3.45	1.299
There is a continuous investment to develop the skills and capabilities of employee	286	3.44	1.285
The capabilities of employees are viewed as an important source of competitive advantage.	286	3.31	1.411
Involvement Average	**286**	**3.46**	**.4327**

Source: (SPSS Output Own Survey Result, 2026)

The mean scores of the involvement culture, across nine statements, ranged from the capabilities of employees are viewed as an important source of competitive advantage which is the lowest 3.31 mean to the largest 3.70 of Teamwork is used to get work done, rather than to keep the Hierarchy. Overall, with a mean score, M=3.46 the involvement culture was found to be a common practiced, which is a moderate agreement.

More broadly, as an aggregate of involvement three sub dimensions was assessed as being practiced at M=3.46. This suggests that selected polytechnic college demonstrate moderate adoption of the involvement organizational culture and consistence with the framework of (Zaidation and Bagheri 2009). Furthermore, the standard deviation was 0.4327 which is relatively low (as shown in the table 4.3) indicating that respondents rating were largely clustered around the mean and therefore reflects certain degree of consensus.

4.4.2 Effect of Organizational Culture Consistency on Performance

The consistency component of organizational culture that analyzed by the perception of employees of selected polytechnic college was discussed in this section. Core values, agreement and coordination and Integration were three sub-dimensions of consistency culture. At selected

polytechnic college; the consistency culture is evaluated with respect to its three sub-dimensions each having three questions. In table 4.4 below; the result of the analysis is depicted.

Table 4.8 The Consistency Cultural Dimension in Selected Polytechnic College

Description	N	Mean	Std. Dev
Leaders "practice what they preach".	286	3.15	1.613
There is a clear and consistent set of values that govern the way College does business.	286	3.10	1.580
There is an ethical code that guides employees' behavior and tells differentiating right from wrong.	286	3.13	1.572
When disagreements occur, employee effort is to achieve a "win-win" solution.	286	3.59	1.619
There is a clear agreement regarding the right way and the wrong way to do things.	286	3.22	1.628
It is easy to reach consensus; even conflicting issues occurs.	286	3.12	1.591
Employees from different parts of the organization share a common perspective.	286	3.28	1.585
It is easy to coordinate projects across different parts of the organization.	286	3.11	1.515
The approach doing business is very consistent and predictable.	286	3.41	1.555
Consistence Average	**286**	**3.23**	**.5613**

Source: (SPSS Output Own Survey Result, 2026)

Within consistency culture dimensions, the mean scores across nine statements ranged from the lowest mean 3.10; there is a clear and consistent set of values that govern the cay college does business to highest mean of 3.59; when disagreements occur, employee effort is to achieve a "win-win" solution. Overall; with a mean score of M=3.23 the consistency culture in the relation to the organizational performance was found as common practice, but reflects a low level of agreement as compared to other cultural dimensions.

In general, selected polytechnic college exhibit a relatively low level of practicing consistency organizational culture as derived from the aggregate of its three sub-dimensions which assessed

at M=3.23 (Zaidation and Bagheri 2009). In addition 0.5613 is the standard deviation for the consistency cultural measurement as presented in the table 4.4, suggesting that most respondent's rating is reasonable close to the average/mean.

4.4.3 Effect of Organizational Culture Adaptability on Performance

At selected polytechnic college adaptability dimensions which are one of Denison's culture components of organizational culture discussed in this section. At selected polytechnic college the adaptability culture is evaluated with respect to its three sub-dimensions such as creating change, Customer focus and Organizational learning each having three questions. In table 4.5 below the result of the analysis is presented.

Table 4.9 the Adaptability Cultural Dimension in Selected Polytechnic

Description	N	Mean	Std. Dev
Better ways to do work are continually adopted.	286	3.24	1.456
All parts of the organization cooperate to create change.	286	3.36	1.510
The College responds well to the competitors' actions and other changes in the business environment.	286	3.47	1.396
Customers" feedback often leads to changes.	286	3.10	1.590
Employees understand customer's wants and needs.	286	3.23	1.561
Customer input directly influences decision at different level.	286	3.48	1.368
Innovation is encouraged and rewarded.	286	3.38	1.423
Learning is an important objective for employees" day-today work.	286	3.61	1.376
The College view failures as an opportunity for learning and improvement.	286	3.33	1.362
Adaptability Average	**286**	**3.35**	**.4854**

Source: (SPSS Output Own Survey Result, 2026)

Within adaptability culture dimensions, the mean scores across nine statements ranged from lowest mean 3.10; Customers" feedback often leads to changes to highest means of 3.61; Learning is an important objective for employees" day-today work. Overall, with a mean score

of M=3.35 the adaptability culture in the relation to the performance was found as common practice, and have low level of agreement.

In general, selected polytechnic college exhibit a relatively low level of practicing adaptability organizational culture and the adaptability culture dimension, derived from the aggregate of its three sub-dimensions was assessed at M=3.35 according to framework of (Zaidation and Bagheri 2009). In addition; 0.4854 is the standard deviation for the adaptability cultural measurement and suggesting that most respondent's rating is reasonable close to the average/mean as presented in the table 4.5.

4.4.4 Effect of Organizational Culture Mission on Performance

At selected polytechnic college mission dimensions which are one of Denison's culture components of organizational culture discussed in this section. At selected polytechnic college the mission culture is evaluated with respect to its three sub-dimensions such as Strategic Direction Intent, Goal and objective and Vision each having three questions. In table 4.6 below the result of the analysis is depicted.

Table 4.10 The Mission Cultural Dimension in Selected Polytechnic College

Description	N	Mean	Std. Dev
There is a clear mission that gives meaning and direction to my work.	286	3.77	1.481
The College strategic direction is clear to me.	286	3.50	1.300
The college has long-term purpose and direction.	286	3.53	1.283
Leaders set goals that are ambitious, but realistic	286	3.56	1.185
The College continuously tracks its progress against the stated goals.	286	3.44	1.452
There is widespread agreement about the goals of the organization.	286	3.44	1.471
Employees of College have a shared vision of what the organization will be like in the future.	286	3.48	1.244
Leaders have a long-term viewpoint.	286	3.45	1.246

The College vision creates excitement and motivation for its employees.	286	3.33	1.282
Mission Average	**286**	**3.50**	**.4415**

Source: (SPSS Output Own Survey Result, 2026)

In the mission culture section, mean scores across nine statements ranged from the lowest 3.33; The College vision creates excitement and motivation for its employees to the largest mean score 3.77; There is a clear mission that gives meaning and direction to my work). Overall, with a mean score, M=3.50; the mission culture was found to be a common practiced, which is a moderate agreement.

More broadly, the mission culture dimension aggregate of its three sub dimensions was assessed and practiced at M=3.50. This suggests that selected polytechnic college demonstrate moderate adoption of the mission organizational culture, consistent with the framework developed by Zaidation and Bagheri (2009). Furthermore, 0.4415 is the standard deviation which is relatively low as shown in the table 4.6 indicating that respondents rating were largely clustered around the mean and therefore reflects certain degree of consensus.

4.5 Descriptive Analysis on Organizational Performance

In this study; using non-financial performance indicators of the BSC, organizational performance is assessed and evaluated with respect to its three sub-dimensions such as Customer perspective, internal process perspective and Innovation and Learning perspective and each having three questions (Norton and Kaplan 2012). Employees then rated these statements with a five-scale agreement and the result of the analysis is presented in table 4.7 below.

Table 4.11 The Organizational Performance in Selected Polytechnic College

Description	N	Mean	Std. Dev
Customers are satisfied with the Colleges‟ product/ service quality.	286	3.55	1.227
The college has a good relationship with customers relative to other competitor college.	286	3.65	1.425
The college has recognizable image and favorable reputation by its	286	3.47	1.423

customers.			
Customers are served with in the standard delivery time (SDT) set by the college.	286	3.39	1.494
The College has satisfactory products/services variety for its customers.	286	3.63	1.405
Customers are happy by the colleges after service.	286	3.53	1.401
The College employees are operationally efficient/competent.	286	3.66	1.208
I believe that my service to the organization and the contributions that I have made are appreciated.	286	3.60	1.238
The people with whom I work have the appropriate skill set to contribute to the college's success.	286	3.57	1.314
Organizational Performance	**286**	**3.56**	**.4834**

Source: (SPSS Output Own Survey Result, 2026)

The average rating of the non-financial performance indicators ranged from the lowest mean of 3.39; Customers are served with in the standard delivery time (SDT) set by the college) to the highest mean of 3.66; The College employees are operationally efficient/competent. Overall, this suggests that respondent's perceived the performance of selected polytechnic college as being at a moderate level. More specifically, as perceived by sampled employees was computed as M=3.56; the overall level of dependent variable such as non-financial performance, which is a moderate level of performance. This implies that organizational performance affected moderately to the level M=3.56 by culture that align with the framework of (Zaidation and Bagheri 2009). Furthermore, as shown in the table 4.7; 0.4834 is the standard deviation which is relatively low indicating that respondents rating were largely clustered around the mean and therefore reflects certain degree of consensus.

4.6 Inferential statistics

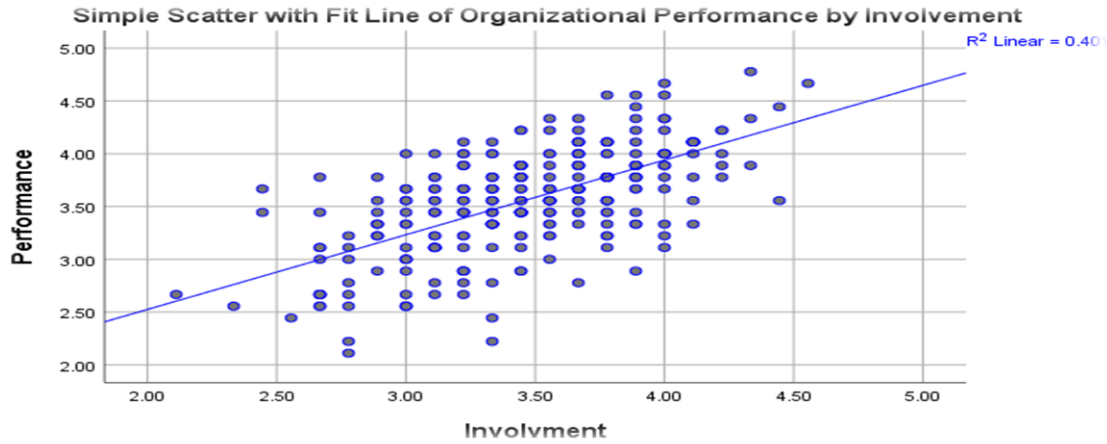
The results of inferential statistics, classical linear regression assumptions tests, Pearson's product moment correlation coefficient and regression analysis that were performed for the purpose of examining the objectives of the study were discussed in this section. The conclusions were drawn with regard to the sample with the support of these statistical techniques and with respect to the research hypothesis further decisions were made.

4.6.1 Classical Linear Regression Assumptions Tests

4.6.1.1 Test for linearity assumption

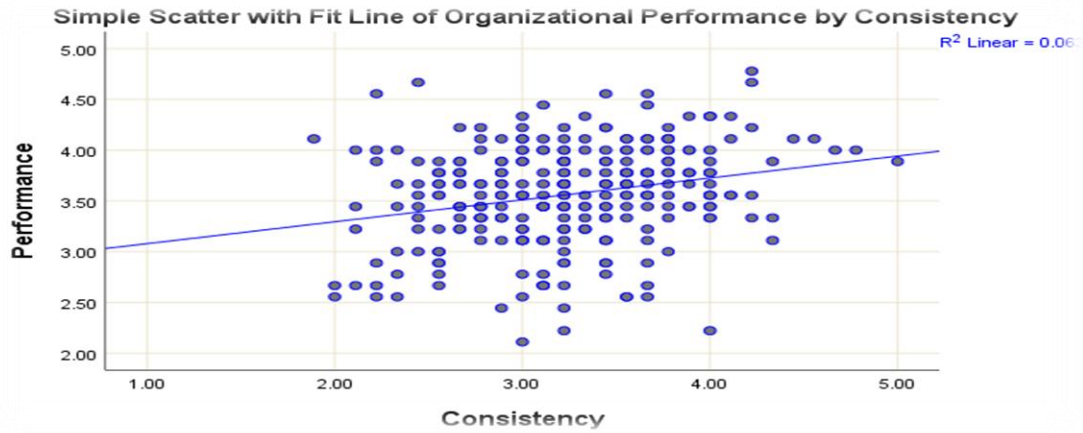
The relationship between the independent variables and dependent variables was the first assumption of Multiple Regression analysis and must indicate linear relationship which is expressed and characterized by a straight line based on the **(**Gauss–Markov, 1900). The scatter plot as shown in the following sub sequent figures were generated using SPSS version 25 and indicate that the relationship between the independent and dependent variables follow an approximately a straight line pattern and suggesting that the relationship between these variables is linear. Therefore for involvement, consistency, adaptability and mission culture dimension the linearity assumption is satisfied in relation to organizational performance.

Figure 4. 1: Linearity Test of Involvement and Organizational Performance



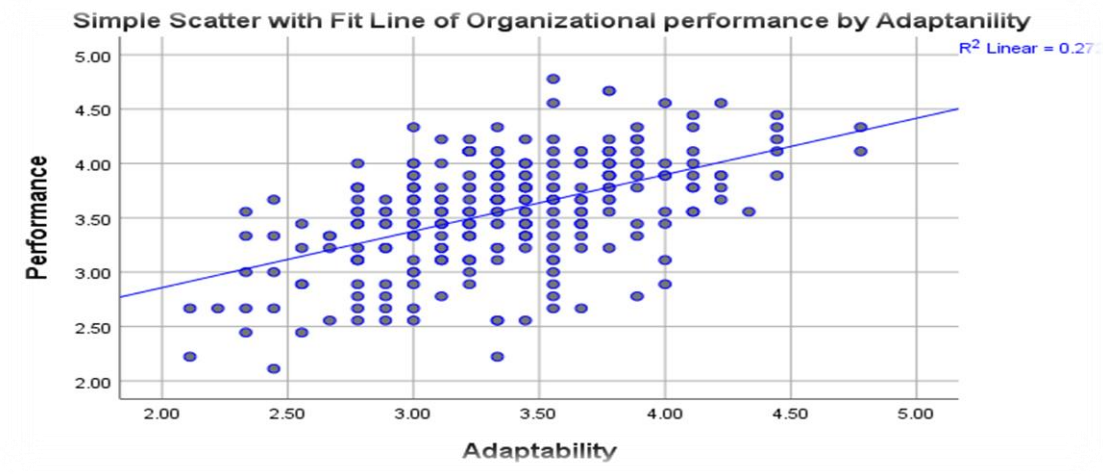
Source: (SPSS Output Own Survey Result, 2026)

Figure 4. 2: Linearity test for consistency and organizational performance



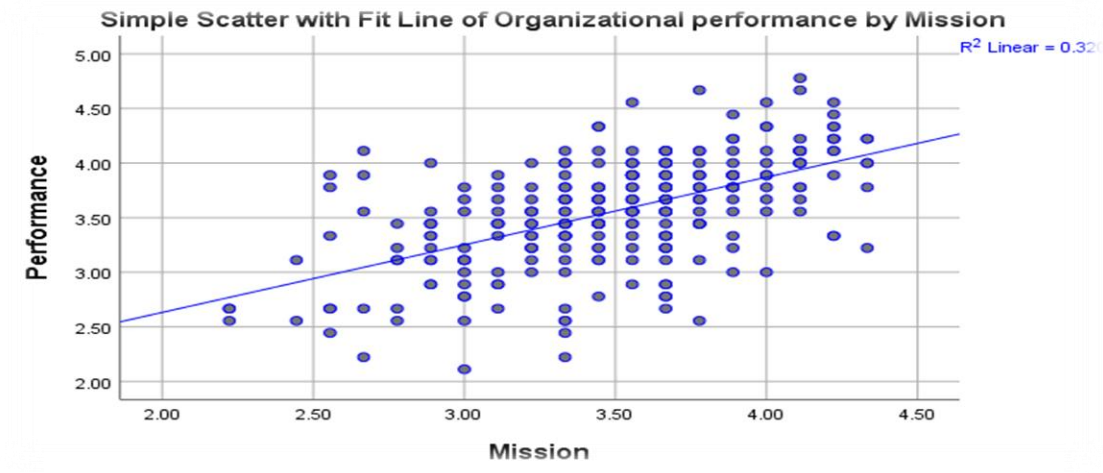
Source: (SPSS Output Own Survey Result, 2026)

Figure 4. 3: Linearity test for adaptability and organizational performance



Source: (SPSS Output Own Survey Result, 2026)

Figure 4. 4: Linearity test for mission and organizational performance



Source: (SPSS Output Own Survey Result, 2026)

4.6.1.2 Multi-Collnearity Test Assumption

When two or more independent variables are highly correlated with one another then Multi-collinearity occurs, indicating high level of inter correlation among predictors (DeFusco (2007). Therefore, Multi-collinearity test was performed to determine whether the independent variables in this study (involvement, consistency, adaptability and mission) were inter-related with one another. Correlation analysis, along with tolerance and variance inflation factor (VIF) analysis used to assess the Multi-collinearity tests in this study. if tolerance values of are greater than 0.10 and VIF values are less than 10, multi-collinearity is generally considered not to pose a problem (Field, 2005).

As presented in the table 4.8 the tolerance value of all independent variables were above 0.10 and the corresponding VIF values were below 10 which indicate absence of muticollnearity, consequently, the independent variables were retained in the regression model and used for subsequent analysis.

Table 4. 8: Test of Multi-Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	Involvement	.575	1.738
	Consistency	.954	1.048
	Adaptability	.656	1.525
	Mission	.669	1.495
a. Dependent Variable: Organizational Performance			

Source: (SPSS Output Own Survey Result, 2026)

4.6.1.3 Test for autocorrelation assumption

Whether the error terms are independent across observation, meaning the error associated with one observation is not systematically related to the error of another is an examination of autocorrelation assumption. Durbin-Watson statistic used to evaluate autocorrelation in this study and reported in the regression model summery table.

When statistic approximately equal to 2 and Durbin-Watson statistic ranges from 0 to 4, the assumption of no autocorrelation is generally supported. There is no meaningful autocorrelation among residuals as shown in the table 4.9 of Durbin-Watson statistic value which is 2.036. Therefore the autocorrelation assumption is satisfied.

Table 4. 9: Test of autocorrelation

Model Summary	
Model	Durbin-Watson
1	**2.036**

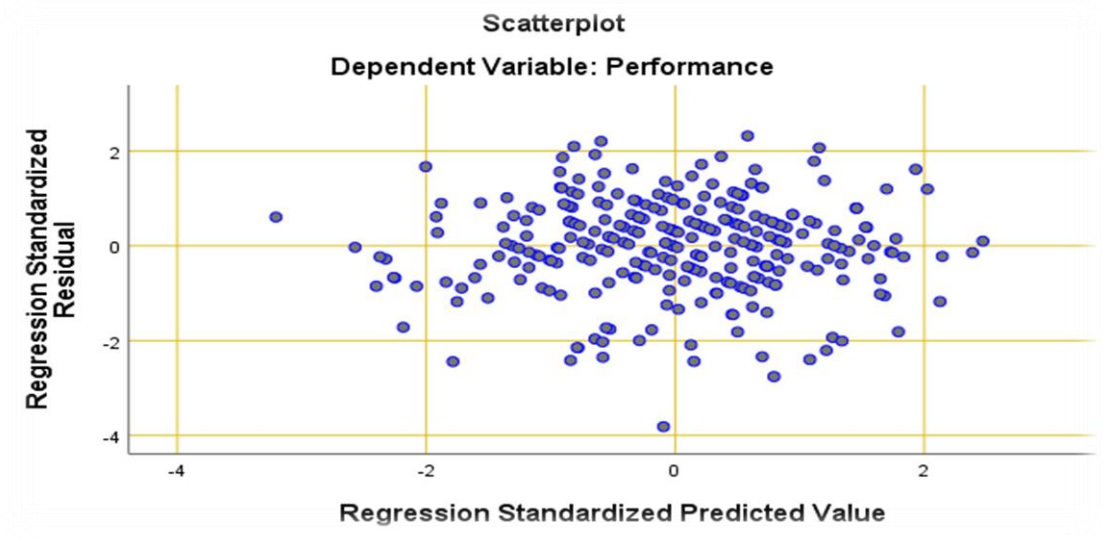
Source: (SPSS Output Own Survey Result, 2026)

4.6.1.4 Test for homoscedasticity assumption

The variance of the residuals remains constant across all level of predicted values as the homoscedasticity assumption requires. The assumption is assessed by examining the pattern of standardized residuals against the standardized predicted value in practical terms. The scatter point should show a relatively even spread across the range of predicted value without funnel shape or systematic pattern If the homoscedasticity holds.

As illustrated in the figure 4.5, the residual display a roughly constant dispersion and form an approximately random scatter dots and suggesting that the variance of residuals is stable across the model. Hence the homoscedasticity assumption is considered met.

Figure 4.5: Test for homoscedasticity assumption



Source: (SPSS Output Own Survey Result, 2026)

4.6.1.4 Normality test

4.6.1.4.1 Normality Testing with Skewness and Kurtosis

Normality of collected data was assessed using descriptive statistics; specifically Skewness and Kurtosis. When skewness and kurtosis values equal to zero, perfectly normal distribution typically exhibits (Field, 2009; Malhotra, 2008). For psychometric and research purposes, skewness and kurtosis values falling between -2 and +2 are commonly regarded as acceptable for approximate normality (George & Mallery, 2010; Khan, 2015).

Skewness and kurtosis values fall within the acceptable interval of -2 to +2 as presented in the table 4.10. This implies that the data distribution is sufficiently closes to normal and therefore the core assumption required for parametric statistical testing is reasonable satisfied.

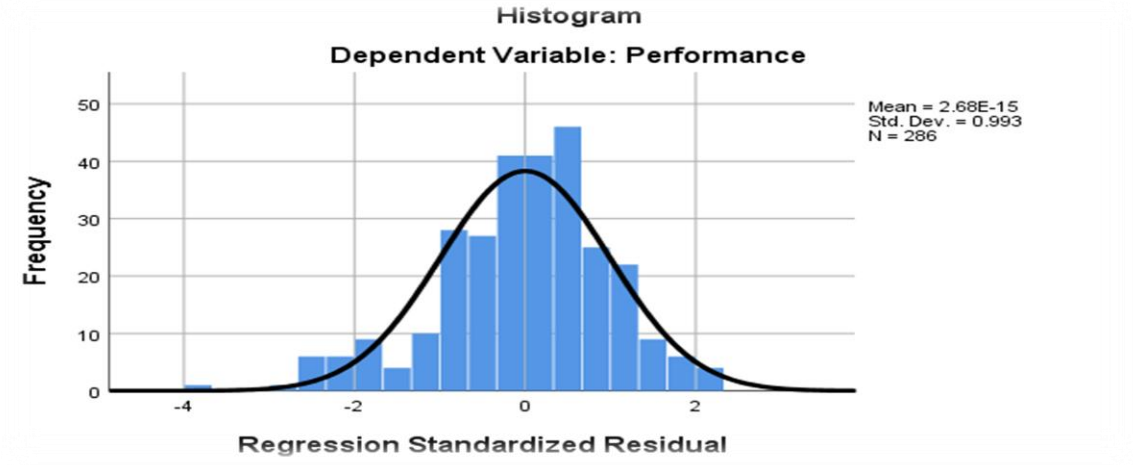
Table 4.10: Normality Testing with Skewness and Kurtosis

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Involvement	286	-.185	.144	-.242	.287
Consistency	286	.109	.144	-.197	.287
Adaptability	286	.085	.144	.023	.287
Mission	286	-.397	.144	-.030	.287
Organizational Performance	286	-.389	.144	.095	.287
Valid N	286				

Source: (SPSS Output Own Survey Result, 2026)

In addition, normal distribution is characterized by symmetric bell- shaped curve, with mean, median, and modes are equal or close to each other (Krithikadatta 2014). The histogram figure 4.6 below shows a bell-shaped curve, indicating that the residual (the underlying distribution of response) are approximately normally distributed. This supports the validity of inference drawn from sample statistics regarding the population parameters.

Figure 4. 6: Residual Distribution Histogram

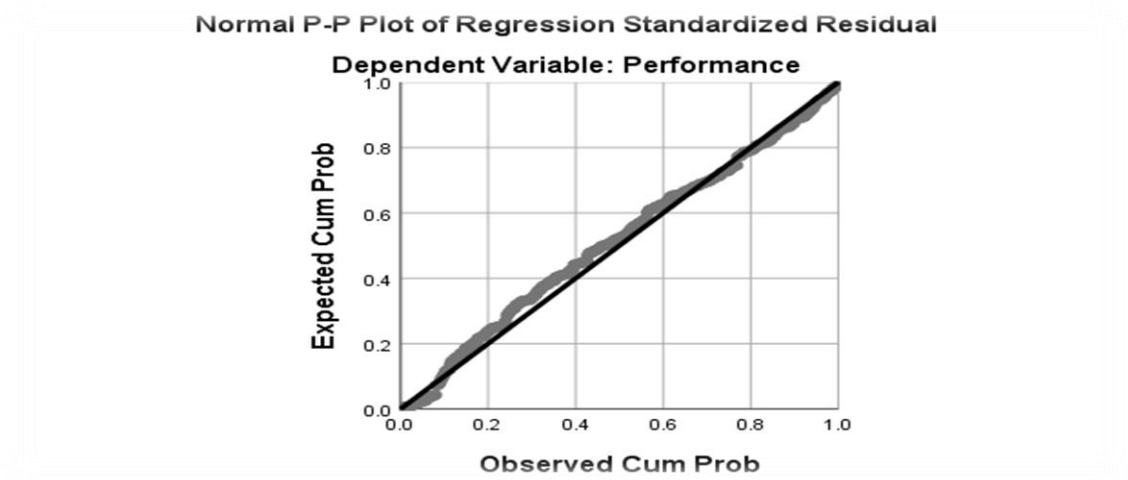


Source: (SPSS Output Own Survey Result, 2026)

4.6.1.4.2 Normal P-P plot of regression

Normal probability plot (NPP) was also examined to further validate normality. The plotted points are expected to align closely with the diagonal reference line, forming an approximately straight pattern when the normality is approximately satisfied. In this study, as depicted in the Figure 4.7 NPP result show that p-p plot line closes to approximately a straight line this provides additional evidence that the variable of interest are constant with the normal distribution.

Figure 4. 7: Normal P-P plot of regression



Source: (SPSS Output Own Survey Result, 2026)

4.7 Correlation Analysis

Studying the relationship of non-financial performance with the organizational culture practice at selected polytechnic college was one of the objectives of this research. Pearson Product movement correlation coefficient was conducted so as to evaluate this relationship and the result shown in the matrix below. Correlation coefficient enables to quantify the strength of the linear relationship between variables and this coefficient is usually represented by r‟ and can take only the value from -1 to +1 (Saunder 2009).

4.7.1 Pearson Correlation Analysis

To examine the strength and direction of the relationships among the variables under investigation this study used correlation analysis. This study applied Pearson correlation analysis to provide evidence of convergent validity and it indicated that magnitude and the direction of

relationships (positive or negative) with value ranging between -1.0 + 1.0 (Marczyk, Dematteo & Festinger, 2005).

In particular, Pearson correlation coefficients of +1 represents perfect positive linear relationship, (correlation), whereas -1 represents perfect negative linear relationship. Value close to 0 suggests weak or no linear association. Pearson correlation coefficients were computed and presented in the table 4.11 to determine the relationship between the four Organizational culture such as involvement, consistence, adaptability and mission and organizational performance (Dependent variable measured through non- financial performance).

Table 4.11 Correlation Analysis Matrix

Correlations						
		Performance	Involvement	Consistency	Adaptability	Mission
Performance	Pearson-Correlation	1	.633**	.250**	.522**	.566**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	286	286	286	286	286
Involvement	Pearson Correlation	.633**	1	.210**	.555**	.542**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	286	286	286	286	286
Consistency	Pearson Correlation	.250**	.210**	1	.127*	.144*
	Sig. (2-tailed)	.000	.000		.031	.015
	N	286	286	286	286	286
Adaptability	Pearson Correlation	.522**	.555**	.127*	1	.460**
	Sig. (2-tailed)	.000	.000	.031		.000
	N	286	286	286	286	286
Mission	Pearson Correlation	.566**	.542**	.144*	.460**	1
	Sig. (2-tailed)	.000	.000	.015	.000	
	N	286	286	286	286	286
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Source: (SPSS Output Own Survey Result, 2026)

Based on finding reported in table 4.11, there is a statistically significant positive relationship between organizational cultural dimensions such as Involvement, Consistency, Adaptability and Mission) and organizational performance. Particularly the involvement dimension shows strongest correlation with performance (r=0.633), followed by the mission dimension (r=0.566). Therefore, both involvement and mission culture have strong positive relationship with performance.

In contract, adaptability and consistency dimension were associated with performance at comparatively moderate level, with correlations of r=0.522 and r=0.250 respectively. These strong positive relationships indicate that at selected polytechnic college the performance has increased due to the adequate level practice of organization culture. So, at selected polytechnic college the moderate level of performance, M=3.56 influenced by the perception of employees on organization culture practice.

As the whole; Involvement demonstrates strongest and significant positive correlation with organizational performance compared to other cultural dimensions. However, compared to other cultural dimensions, consistency culture shows relatively weaker positive correlation the performance. Taken together, at of selected polytechnic college the result confirms that the organization cultural dimensions such as involvement, consistency, adaptability and mission exhibit a significant positive correlation to organizational Non-financial performance. This implies that performance of the college's increases significantly when there is an increase on those cultures or when these cultures become strong.

4.8 Multiple Regression Analysis for the Effect of Organizational Culture on Organizational performance

The most common and widely used method to analyze the relationship between a single continues dependent variable and multiple continues on categorical independent variable is Multiple regressions (George et al, 2003). In this study; to examine the relationship between organizational culture dimensions such as Involvement, Consistency, Adaptability, and Mission and performance multiple regression analysis was employed. The coefficient of regression (R^2) measures the proportion in a dependent variable that can be explained by the independent

variables. Multiple regressions analysis results presents in the following 4.12 table. The squared multiple correlation coefficients (R^2) which tells, the level of variance in the dependent variable (Non-financial Performance of some selected polytechnic college) that is explained by the model summary under.

4.8.1 Model Summary

Table 4.12 Model Summary of Regression Analysis

Model	R	R Square(R^2)	Adjusted R Square(R^2)	Std. Error of the Estimate
1	.711[a]	.505	.498	.34256

Source: SPSS Regression results output, 2026

The model summary of the multiple regressions analysis was presented in the Table 4.12 above. The coefficient of determination, i.e R Square, is reported as 0.505 =50.5% that implies the variation of organizational performance can be predicted by the independent variables such as involvement, mission, adaptability, and consistency. At selected polytechnic college; the organization culture have 50.5% influences on its Non-financial performance and 49.5% of the variation on performance can be explained by other external factors or variables known as exogenous variables that are not part of this study. This implies that at selected polytechnic college organization culture considerably influences non-financial performance.

4.8.2 Analysis of Variance (ANOVA)

The Analysis of variance (ANOVA) table 4.13 shows that; since the p-value for F-Statistics (0.000) less than the significance level 0. 05, accepting at least one of the Organizational cultures dimensions such as Mission, Involvement, Adaptability, and Consistency) had a significant relationship on using Non-financial performance measures.

Table 4.13 Analysis of variance (ANOVA) results of the regression analysis between organizational performance and organizational culture components

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.646	4	8.411	71.681	.000[b]
	Residual	32.974	281	.117		
	Total	66.620	285			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Mission, Consistency, Adaptability, Involvement						

Source: SPSS Regression results output, 2026

The relationship between the dependent and independent variables of the study described by Analysis of variance (ANOVA) of regression analysis result. The analysis of variance determines whether or not the overall model results is statistically significant in predicting the outcome variable.

The overall result of regression coefficient revealed was (F=71.681, p value = 0.000a) by Analysis of Variance (ANOVA). The results indicate that the P value of 0.00 which is less than the significant level of 0.05. This implies that the regression model statistically and significantly predicts the outcome variable. Therefore, the model is considered a good for the data analysis. Overly, this is indicating that at selected polytechnic college there exists a significant positive relationship between organizational culture such as involvement, consistency, adaptability and mission and organizational performance.

4.8.3 Regression Analysis of Coefficients

The unstandardized beta coefficient based on the table 4.14, determines the unique contribution of each factor to the model. As predictor variable has made a significance statistical contribution to the model indicated by a high beta value and a small p value (<0.05) while as predictor variable has little or no significant contribution to the model was indicated by a small beta value and a high p value (p >0.05) (George et al 2003).

Coefficients also determined that, Involvement, Consistency, Adaptability and Mission had significant relation to organizational performance in selected polytechnic college at 95% confidence level, since their p-values were 0.000, 0.010, 0.001 and 0.000 respectively which is less than the significance level 0.05. Since their p-value is less than the significance level of 0.05, therefore in selected polytechnic colleges all organizational cultures had significant influence to organizational performance.

Table 4.14 Regression Analysis of Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.205	.207		.994	.321
	Involvement	.405	.062	.363	6.559	.000
	Consistency	.097	.037	.112	2.608	.010
	Adaptability	.181	.052	.182	3.514	.001
	Mission	.295	.056	.269	5.242	.000
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Mission, Consistency, Adaptability, Involvement						

Source: SPSS Regression results output, 2026

Multiple linear regression analysis was used so as to further assess the effect of organization culture on non-financial performance that indicated as follows.

a. **Predicators: (Constant)**, Involvement Culture, Consistency Culture, Adaptability culture and Mission Culture.
b. **Dependent Variable:** Organizational Performance.

In selected polytechnic college to determine how organizational culture affects performance, the multivariate regression model was applied. Therefore, with four predictor variables such as X1, X2, X3 and X4 the following model is used.

Where:-

- **Y** = Organizational Performance,
- **X1** = Involvement Culture,
- **X2** = Consistency Culture,
- **X3** = Adaptability Culture,
- **X4** = Mission Culture and
- **ε** = Error Term.

The following model was constructed to determine the cultural dimensions effect on organizational Performance at selected polytechnic college using Non-financial performance.

Organizational Performance (Y) = 0.205+ 0.405X1 +0.097X2 + 0.181X3 + 0.295X4 + ε

4.8.4 Hypothesis Testing and Result Discussion

Determining the likelihood of a population parameter, such as the mean, is to be true is the goal of hypothesis testing. There are two hypotheses: null (Ho) and alternative (Ha). The researcher tests whether the value stated in the null hypothesis is likely to be true since it is assumed to be wrong. The statement that contains idea which directly contradicts a null hypothesis is an alternative hypothesis (Ha).

P-value or the significance (sig.) is used to make judgment on rejecting or falling to reject the (null) hypothesis. The probability that the correlation is one just by chance is the p-value and therefore, it is the better to rejecting null hypothesis when the p-value is smaller. The general rule is when $p>0.05$, fail to reject the null hypothesis and when $p<0.05$, reject null hypothesis (pallant, 2016). For this study; to test the effect of independent variable on dependent variables the result of Pearson correlation and multiple linear regression analysis was used and the decision was made considering p-value and beta value for each independent variables.

Summary of hypothesis test is presented based on standardized coefficients beta and p-value to determine whether the hypotheses are accepted or rejected below.

Hypothesis 1: Involvement has a significant effect on organizational performance in selected polytechnic college.

Table 4. 15: Involvement and Organizational performance Regression Weights

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Involvement	.405	.062	.363	6.559	.000

Source: SPSS Regression results output, 2026

As reported in table 4.14 above, the results of multiple regressions revealed that involvement has a positive and significant effect to organizational performance using non-financial performance measures with Beta = 0.405, at 95% confidence level ($p < 0.05$). Since the beta value (0.405) tells that when involvement culture increases by one-unit, organizational performance will increase by 40.5%. Generally, at selected polytechnic college involvement culture had a positive and significant effect on organizational performance of using non-financial performance measures. The alternative hypothesis: Involvement has a significant effect on organizational performance in selected polytechnic college 'was accepted and the null hypothesis was rejected. It was therefore concluded that Involvement had significant positive effect on organizational performance in selected polytechnic college. Therefore, Alternative hypothesis (H1) is accepted by the researcher.

Hypothesis 2: Consistency has a significant effect on organizational performance in selected Polytechnic College.

Table 4. 16: Consistency and Organizational performance Regression Weights

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Consistency	.097	.037	.112	2.608	.010

Source: SPSS Regression results output, 2026

As reported in table 4.14 above, the results of multiple regressions revealed that consistency has a positive and significant effect to organizational performance using non-financial performance measures with Beta = 0.097, at 95% confidence level ($p < 0.05$). Since the beta value (0.092) explains that when consistency culture increases by one-unit, organizational performance will

increase by 9.2%. Generally, at selected polytechnic college consistency culture had a positive and significant effect on organizational performance of using non-financial performance measures. The alternative hypothesis: consistency has a significant effect on organizational performance in selected polytechnic college ‘was accepted and the null hypothesis was rejected. Therefore, Alternative hypothesis (H2) is accepted by the researcher.

Hypothesis 3: Adaptability has a significant effect on organizational performance in selected Polytechnic College.

Table 4. 17: Adaptability and Organizational performance Regression Weights

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Adaptability	.181	.052	.182	3.514	.001

Source: SPSS Regression results output, 2026

As reported in table 4.14 above, the results of multiple regressions revealed that adaptability culture has a positive and significant effect to organizational performance using non-financial performance measures with Beta = 0.181, at 95% confidence level ($p < 0.05$). Since the beta value was (0.181) shows that when adaptability culture increases by one-unit, organizational performance will increase by 18.1%. Generally, at selected polytechnic college adaptability culture had a positive and significant effect on organizational performance of using non-financial performance measures. The alternative hypothesis: adaptability has a significant effect on organizational performance in selected polytechnic college ‘was accepted and the null hypothesis was rejected. Therefore, Alternative hypothesis (H3) is accepted by the researcher.

Hypothesis 4: Mission has a significant effect on organizational performance in selected Polytechnic College.

Table 4. 18: Mission and Organizational performance Regression Weights

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Mission	.295	.056	.269	5.242	.000

Source: SPSS Regression results output, 2026

As reported in table 4.14 above, the results of multiple regressions revealed that the mission culture has a positive and significant effect to organizational performance using non-financial performance measures with Beta = 0.295, at 95% confidence level ($p < 0.05$). Since the beta value was (0.295) shows that when mission culture increases by one-unit, organizational performance will increase by 29.5%. Generally, at selected polytechnic college the mission culture had a positive and significant effect on organizational performance of using non-financial performance measures. The alternative hypothesis: Mission has a significant effect on organizational performance in selected polytechnic college 'was accepted and the null hypothesis was rejected Therefore, Alternative hypothesis (H4) is accepted by the researcher.

4.8.4.1 Summary of Hypothesis Testing

Table 4. 19: Summary of Hypothesis Testing

Hypothesis	Reason for accepting or rejecting Hypothesis	Decision
H1	Since Beta = 0.405, A one-unit increase in involvement culture increases organizational performance by 40.5% at ($p < 0.05$).	**Accept H1**
H2	Since Beta = 0.097, A one-unit increase in consistency culture increases organizational performance by 9.7% at ($p < 0.05$).	**Accept H2**
H3	Since Beta = 0.181, A one-unit increase in adaptability culture increases organizational performance by 18.1% at ($p < 0.05$).	**Accept H3**
H4	Since Beta = 0.295, A one-unit increase in mission culture increases organizational performance by 29.5% at ($p < 0.05$).	**Accept H4**

Source: Own work and SPSS Regression results output, 2026

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5. Introduction

Examining the effect of how organizational culture influences performance in selected polytechnic colleges was the main objective of this study. More specifically, the study investigated the effects of involvement, consistency, adaptability, and mission on organizational performance within these institutions. Summary of the study findings, the conclusion and the recommendations for concerned parties were presented in this chapter. The future research direction + recommendations were the end of this chapter.

5.1 Summary of Finding

Based on the findings of study, the following Summary of finding on organizational culture dimensions such involvement, consistency, adaptability and mission were formulated as follow:

The findings showed that the involvement construct produced an overall (aggregate) mean value of 3.46 across all involvement statements. This indicates that participants were highly positive and generally agreed that involvement positively influences organizational performance. There is strong positive relation among involvement and performance because correlation coefficient between involvement and performance was 0.633. Among all other components of organizational culture; Involvement has the highest regression parametric results (β=.405, t= 6.559 and p value 0.000) and the alternative hypothesis for this variable has been accepted since it was found to have strong positive effect on performance. In selected polytechnic colleges; it inferred that involvement has significant positive effect on organizational performance

The study further revealed that consistency practiced in the selected polytechnic colleges has a significant positive effect on organizational performance. Consistency culture had a positive and statistically significant relationship with performance as analysis showed. Most respondents agreed with the consistency-related statements. Accordingly, the mean values ranged from 3.10 to 3.59, which reflect participants' agreement regarding the role of consistency in enhancing performance. Although consistency had the lowest regression parameter values compared to

other organizational culture components, it still showed a significant influence on performance. The multiple regression analysis confirmed the statistical significance of consistency (β = 0.097, t = 2.608, p = 0.000). Alternative hypothesis for consistency was accepted on the basis of the p-value, t-value, and beta coefficient. Thus, it can be concluded that consistency significantly improves organizational performance in the selected polytechnic colleges.

Finding of the study showed that adaptability produced an overall (aggregate) mean value of 3.35. It implies that with adaptability statements participants were positive and agreed and its effect on performance. There is strong positive relation among these adaptability and performance since correlation coefficient between this variables was 0.522^{**}. Among all other components of OC; Adaptability culture has medium regression parametric results (β=.181, t= 3.514 and p value 0.000) and further the alternative hypothesis for this variable has been accepted since it have strong positive effect on performance, and in selected polytechnic colleges that adaptability culture has significant positive effect on organizational performance as inferred.

Mission culture revealed 3.50 aggregate mean values for all mission statements as descriptive statistic participant of the study showed and it shows that with mission statements the participants were highly agreed and positive and its effect on performance. As report of analysis; Mission culture had significant positive effect on organizational performance and had positive β value and significant p value (β=.295, t= 5.242 and p value 0.000), as the test of regression result show therefore; the alternative hypothesis was accepted. The relationship between mission and performance was positive and strong in this study. Overall, in selected polytechnic colleges the mission has significant positive effect on organizational performance as the study revealed.

5.2 Conclusion

The analysis was performed based on the data from selected polytechnic colleges and based on the findings of study, the following conclusion on organizational culture dimensions such involvement, consistency, adaptability and mission were formulated as follow;

Involvement culture is practiced at a moderate level as the results of this study indicated. Employees in the organization are moderately connected to their work as the analysis of study. The involvement culture emphasize on the input and participation of its members when organizations uphold it. This can be accomplished by implementing an implicit control system and empowering employees with the authority and ability to make decisions that directly affect their own work.

At some selected polytechnic colleges; the consistency elements of organizational culture had low practicing as participant's analysis of the study. Even though the consistency dimension had positive relationship with non-financial performance as per this study and employees of the some selected polytechnic colleges who participate in the study manifested it. Different functions group and departments better work together effectively to achieve shared goals when an organization promotes its culture of consistency.

At the some selected polytechnic colleges the adaptability dimension of organizational culture was also reported to being moderately practiced. As per this study manifested the adaptability dimension has positive relationship with non-financial performance. Better ways to do work are continually adopted at different functions group and departments of the organization when there exists a culture of Adaptability in an organization.

The reason for existence of organization is mission culture. In the selected polytechnic colleges mission dimension has a moderate effect and is moderately practiced based on the study findings. As the report the organizations with moderate performance levels tend to have a committed workforce that aligns with the organization's mission, vision, and values. Further the findings suggest that top management plays a role in shaping mission culture so that it aligns with organizational strategy and structure. Top management is expected to ensure the organization fulfills its mission to support sustainable growth for improved outcomes.

5.3 Recommendations

Based on the summary of finings and conclusion the following recommendations were suggested by the researcher However, in order to keep this momentum going and to the strengthening of the organizational culture in the future.

At selected polytechnic colleges; mission culture had a significantly highest impact on performance from other organizational culture. Therefore, selected polytechnic colleges should give a priority for the mission culture and should ensure the colleges have clear and realistic involvement culture. The selected polytechnic colleges would also make sure that the mission culture is communicated well to the employees of the colleges.

At selected polytechnic colleges: The involvement culture with its sub dimension empowerment, team orientation and capability development has the second highest significant impact on performance. Therefore, by setting clear and consistent values, policies, procedures the colleges should maintain and improve the existing involvement culture for a better performance.

At selected polytechnic colleges; the adaptability culture with its sub dimension creating change, customer focus and organizational learning has a significant impact on performance. Furthermore, the adaptability is the core culture to follow the change due to the academic world is constantly changing. Therefore, to take attention for learning and development that can bring the change and to motivate innovation selected polytechnic colleges should take a customer feedback as a source for change.

At selected polytechnic colleges: Consistency culture with its sub dimension core value, agreement and coordination and integration has the lowest significant impact on performance as the study. Therefore, by setting a clear and consistent values, policies, and procedures for a better performance the colleges should improve the existing consistency culture. Therefore; selected polytechnic colleges should conduct further research on the impact of consistency on performance.

5.3.1 Recommendations for further studies

The recommendations for future studies are:

- At selected polytechnic colleges Denison's model of organizational culture was used to conduct this study. To provide a deeper understanding of organizational culture and its impact on performance future research should apply other organizational culture frameworks to the same other organizations.
- The current research focused on the effect of organizational culture on non-financial performance. To examine the impact of organizational culture directly on financial performance, it is recommended that further studies be carried out which is often more visible and of greater interest to stakeholders.
- Future research should investigate the relationship between specific cultural dimensions and specific performance measures applying larger sample size at the industry level. This would help generate results that are more specific and clearer for users of the findings, and it may also serve as a reference for financial institutions.

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Appendices I

Budget

NO	Item description	Unit measurement	quantity	Unit cost	Total cost
1	Stationary material	birr			
	paper	packet	1	150	150
	pen		4	22	88
	Note book		1	150	150
2	Communication				
	Telephone		Three months		150
	Internet				150
3	Transportation cost				150
4	others				
	USB flash				250
3	Daily expense		1	50	50
4	Typing proposal	Page	28	5	140
5	Typing the research paper	page	50	5	250
6	Expense to collect data	birr		100	100
7	Miscellaneous expense			100	100
	total				1728

Appendices II

Work Schedule

NO	Activity	January	February	march	April	may	June
1	Topic selection	✓					
2	Search of literature	✓	✓				
3	Proposal development	✓	✓				
4	Questionnaire development	✓	✓				
5	Data collection and analysis		✓	✓			

The final research will be completed by the end of May 2026.

Appendices III



Addis Ababa University

Collage of Business and Economics

Department of Management

Questionnaire will be filled by employees of some selected polytechnic College

Dear Respondent: I am MSc in Management post graduate student at Department of Management, College of Business and Economics, Addis Ababa University. This questionnaire is designed to collect relevant information for the research carried out on the topic "The effect of Organizational Culture on The Organizational Performance: The case of selected polytechnic College". The study will be conducted for academic purpose that is for partial fulfillment of the requirements of the Master of Science in Management (General). Hence, your responses will be kept confidential.

The soundness and validity of findings highly depend on your honest and thoughtful responses. Therefore, I kindly request you to fill the questionnaire carefully and return at your earliest convenience. Thank you in advance for your kind cooperation!

Please note the following points before you start;

- You need not write your name.
- Thank you for your cooperation and willingness to support the research efforts,

Kind regards,

Name: Petros Simon Toma

Tell: +251921077255

Email: pitersimon3@gmail.com

Part 1: **General Profile (Please put (√) mark in the box that best describes you)**

Gender: ☐ Female ☐ Male

Age: ☐ 21–30 ☐ 31–40 ☐ 41–50 ☐ 51 and above

Educational Qualification: ☐ First Degree ☐ Post Graduate and above

Years of service at college: ☐ Below 5 yrs ☐ 6–10 yrs ☐ 11–15 yrs ☐ 15 yrs and above

Your Job Category at College: ☐ Management Staff ☐ Professionals / support staff

☐ Academic Staff ☐ Administrative Staff

Part II: Organizational Culture of Selected Polytechnic College

Please indicate the degree of your agreement/disagreement with the following statements associated with the four traits of organizational culture: Involvement, Consistency, Adaptability and Mission in the College with their respective 3 indexes each. Please put (√) on the alternative choice that best describes your view using the five Point Likert Scale shown under.

1	**2**	**3**	**4**	**5**
Strongly Disagree	Disagree	Neutral or Undecided	Agree	Strongly Agree

Traits of Organizational Culture in case of selected polytechnic Colleges

I. Involvement					
Empowerment	**1**	**2**	**3**	**4**	**5**
1. In College decisions are made at the levels where the right information is available.					
2. Employees believe that they have a positive impact on college performance.					

3. Information is widely shared so that employees can access the information they need easily.					
Team Orientation					
4. Cooperation across different parts of the organization is highly encouraged.					
5. Teamwork is used to get work done, rather than to keep the Hierarchy.					
6. Employees work as they are part of a team.					
Capability Development					
7. Authority is delegated so those, employees can act by their own up to their discretion limit.					
8. There is a continuous investment to develop the skills and capabilities of employee					
9. The capabilities of employees are viewed as an important source of competitive advantage.					
II. CONSISTENCY					
Core Values	**1**	**2**	**3**	**4**	**5**
10. Leaders "practice what they preach".					
11. There is a clear and consistent set of values that govern the way College does business.					
12. There is an ethical code that guides employees' behavior and tells differentiating right from wrong.					
Agreement	**1**	**2**	**3**	**4**	**5**
13. When disagreements occur, employee effort is to achieve a "win-win" solution.					
14. There is a clear agreement regarding the right way and the wrong way to do things.					
15. It is easy to reach consensus; even conflicting issues occurs.					
Coordination and Integration	**1**	**2**	**3**	**4**	**5**
16. Employees from different parts of the organization share a common perspective.					

17. It is easy to coordinate projects across different parts of the organization.					
18. The approach doing business is very consistent and predictable.					
III. ADAPTABILITY					
Creating Change	**1**	**2**	**3**	**4**	**5**
19. Better ways to do work are continually adopted.					
20. All parts of the organization cooperate to create change.					
21. The College responds well to the competitors' actions and other changes in the business environment.					
Customer Focus	**1**	**2**	**3**	**4**	**5**

22. Customers" feedback often leads to changes.					
23. Employees understand customer's wants and needs.					
24. Customer input directly influences decision at different level.					
Organizational Learning	**1**	**2**	**3**	**4**	**5**
25. Innovation is encouraged and rewarded.					
26. Learning is an important objective for employees" day-today work.					
27. The College view failures as an opportunity for learning and improvement.					
IV. MISSION					
Strategic Direction and Intent					
28. There is a clear mission that gives meaning and direction to my work.					
29. The College strategic direction is clear to me.					
30. The college has long-term purpose and direction.					
Goals and Objectives					
31. Leaders set goals that are ambitious, but realistic.					

32. The College continuously tracks its progress against the stated goals.					
33. There is widespread agreement about the goals of the organization.					
Vision					
34. Employees of College have a shared vision of what the organization will be like in the future.					
35. Leaders have a long-term viewpoint.					
36. The College vision creates excitement and motivation for its employees.					

Part III: Organizational Performance of selected polytechnic College using non-financial performance measures

Please indicate 1 (to a very little extent) to 5 (to a very great extent) to what extent the College achieves its non-financial performance mentioned under.

1 = To a very little extent

2 = To a little extent

3 = To some extent

4 = To a considerable extent

5 = To a very great extent

To what extent does the College achieve its Non-financial Performance in Customer Perspective, Internal Business Perspective and Innovation and Learning Perspective?

	1	**2**	**3**	**4**	**5**
Customer Perspective					
1. Customers are satisfied with the Colleges‟ product/ service quality.					
2. The college has a good relationship with customers relative to other competitor college.					
3. The college has recognizable image and favorable reputation by its customers.					

Internal Business Perspective					
4. Customers are served with in the standard delivery time (SDT) set by the college.					
5. The College has satisfactory products/services variety for its customers.					
6. Customers are happy by the college's „after service.					
Innovation & Learning Perspective					
7. The College employees are operationally efficient/competent.					
8. I believe that my service to the organization and the contributions that I have made are appreciated.					
9. The people with whom I work have the appropriate skill set to contribute to the college's success.					

Thank you!!