



Impacts of Organizational Culture on Business Performance-The Case of Multinational Companies in Ethiopia

Submitted By: Benyam Tezera

**A Thesis Submitted to Addis Ababa University, School of Commerce in
Partial fulfillment of the Requirements for the Degree of Master of Business
Leadership**

April, 2021

Impacts of Organizational Culture on Business Performance-The Case of Multinational Companies in Ethiopia

Submitted By: Benyam Tezera

A Thesis Submitted to Addis Ababa University, School of Commerce in Partial fulfillment of the Requirements for the Degree of Master of Business Leadership

Approved by Board of Examiner

	Name	Signature	Date
External Examiner:	<u>Afework G. (Ph.D)</u>	_____	_____
Internal Examiner:	<u>Wubeshet B. (Ph.D)</u>	_____	_____
Advisor:	<u>Adane A. (Ph.D)</u>	_____	_____

DECLARATION

I the researcher of this thesis named Benyam Tezera, hereby declare that the study entitled “The Impacts of Organizational Culture on Business Performance-The Case of Multi-National Companies in Ethiopia” is my original work and has not been presented in Addis Ababa University or any other University priorly and appropriate referencing applied for any contents taken from other researches related with the topic. I have carried out the study on my own with a close guidance and support of the research advisor Adana Atara (PhD).

Name of Researcher: Benyam Tezera Balcha

Signature: _____

Date of Submission: _____

Acknowledgments

While studying this research various peoples gave me their valuable time and unlimited contribution through sharing of ideas, information and provide unreserved guidance. Most importantly, I really need to appreciate all the continuous guidance and mentorship provided by my research advisor named Dr. Adana Atara that was very exceptional.

In addition to that I would like to express my thanks to most of the senior leadership members who are working in Diageo Meta brewery, Heineken breweries, BGI Ethiopia, Coca Cola Beverage Ethiopia and Habesha breweries. Without the unlimited support and cooperation from all of them, completing this research study could be unthinkable.

Abstract

The main objective of this research was to review the impacts of organizational culture on business performance both in its financial and non-financial perspectives of it on the multi-national environment here in Ethiopia. The four main organization cultural traits mainly involvement/participating, consistency, adaptability and mission indicated on Denison model used as a framework to assess its respective impact on both the financial and non-financial business performance on the multi-national companies that are operating here in Ethiopia. The scope of the research was limited to its study on five multi-national companies named Diageo Meta brewery, Heineken Ethiopia, BGI Ethiopia, Coca Cola Beverage Ethiopia and Habesha breweries having a total target population of 35 in senior leadership roles across various functions. In order to achieve its key objective, the research used a primary data collection method through a questionnaire form and analyzed the data using a descriptive and inferential statistical analysis technique. The findings of the research showed that the four cultural traits has a significant impact on both the financial and non-financial performances of those multi-national companies that are operating here in Ethiopia even though the magnitude of its respective impact varies from one cultural traits to another. Finally, the research concludes that all the four cultural traits has a significant impact on business performance of the multinational companies in Ethiopia and the researcher recommend those companies to have a clear process of establishing and maintaining of a robust organizational culture that better support their strategic business objectives.

List of Acronyms and Abbreviations

MNC's – Multi-National Companies

KPI– Key Performance Indicators

HR – Human Resource

RII – Relevant Importance Index

SPSS – Statistical Package for Social Sciences

SD – Standard Deviations

SPMS- Strategic Performance Management System

ROI- Return on Investment

ROA- Return on Asset

CHAPTER ONE: INTRODUCTION	1
1.1. Background of the Study	1
1.2. Background of Multi-national Companies in Ethiopia	2
1.3. Statement of the Problem	3
1.4. Research Questions	4
1.5. Research Objectives	5
1.6. Significance of the Research	5
1.7. Scope of the Research	6
1.8. Limitations of the Research	6
1.9. Operational Definitions and Terms	7
1.10. Organization of the Study	8
CHAPTER TWO: LITRATURE REVIEWS	9
2.1. Theoretical Litrature Review	9
2.1.1. The Concepts of Organizational Culture	9
2.1.2. Characteristics of organizational culture	10
2.1.3. Conceptualizations of culture of organizations	11
2.1.3.1. Process oriented approach to organizational culture	11
2.1.3.2. Classification approach to organizational culture	11
2.1.4. Levels of Organizational Culture	12
2.1.5. Traits and Dimensions of Organizational Culture	14
2.1.6. Common Characteristics of Great Multi-National Corporate Cultures	18
2.1.7. The Concept of Organizational Performance	18
2.1.8. Measurements of Organizational Performance	19
2.1.9. The Relationship between Organizational Culture and Performance	20
2.1.10. Performance Management in Multi-National Companies	21
2.2. Emperical Reviews	22
2.3. Conceptual Framework	23
CHAPTER THREE: RESEARCH DESGN AND METHODOLOGY	25
3.1. Introduction	25
3.2. Research Design and Approach	25

3.3. Types and Sources of Data	25
3.4. Target Population	26
3.5. Sample Frame.....	26
3.6. Sample Size.....	27
3.7. Instrument Design/Measurement.....	28
3.8. Data Collection Procedures	28
3.9. Validity and Reliability.....	29
3.10. Method of Data Analysis.....	30
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION ...	32
4.1. Introduction.....	32
4.2. Respondents Rate of Return Summary	32
4.3. Demographic Characteristics of Respondents	33
4.4. Descriptive Analysis of Organization Cultural Traits and Impacts on Business Performance	35
4.4.1. Descriptive Analysis on Involvement/Participating Cultural Traits	35
4.4.2. Descriptive Analysis on Consistency Cultural Traits	36
4.4.3. Descriptive Analysis on Adaptability Cultural Traits	37
4.4.4. Descriptive Analysis on Mission Cultural Traits	38
4.4.5. Descriptive Analysis on Organizational Performance.....	39
4.5. Relationship Between Organizational Cultures and Business Performance	41
4.5.1. Pearson Correlation Coefficient Analysis	41
4.5.2. Multi-Regression Analysis on the Impacts of Organizational Cultures on Per....	43
4.5.2.1. Multiple Regression Model Summary	43
4.5.2.2. ANNOVA Analysis.....	44
4.5.2.3. Regression Coefficient Analysis	44
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION	46
5.1. Summary of Major Findings.....	46
5.2. Conclusion	49
5.3. Recommendation.....	50
Reference	51
Annex 1	52

List of Tables

	Page
Table 3.1. Population Distribution	27
Table 3.2. Reliability Analysis on Sampled Questionnaire	30
Table 4.1. Respondents Rate of Return Summary	32
Table 4.2. Summary of Respondents Demography.....	33
Table 4.3. Descriptive Analysis on Involvement/Participating Cultural Traits	35
Table 4.4. Descriptive Analysis on Consistency Cultural Traits	36
Table 4.5. Descriptive Analysis on Adaptability Cultural Traits	38
Table 4.6. Descriptive Analysis on Mission Cultural Traits	39
Table 4.7. Descriptive Analysis on Organizational Performance	40
Table 4.8. Comparison of Organizational Performance	41
Table 4.9. Pearson Correlation Coefficient Analysis	42
Table 4.10. Multiple Regression Model Summary.....	43
Table 4.11. ANNOVA Analysis Summary.....	44
Table 4.12. Regression Coefficient Analysis Summary.....	44

Graphical Presentations and Figures

Figure 1. The onion model of organizational structure.....	12
Figure 2. Traits/dimensions of organizational culture.....	16
Figure 3. Conceptual framework design.....	24
Graph 4.1. Graphical illustration of respondents' demography.....	34

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

According to Black & Richard (2003) organizational culture has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Organizational values are beliefs and ideas about what kind of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines, or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another.

Furthermore, Azhar (2003) stated that organizational culture is presumed to have far-reaching implications for organizations performance, making it an important topic to understand. A foundational part of the substance of the organizational culture is its values, which are assumed to be unique to the organization. The culture prevailing in an organization has a serious bearing on its performance. He also further observes that the fact that organizations may have a strong or weak culture affects their ability to perform strategically. According to him culture affects not only the way managers behave within an organization but also the decisions they make about the organization's relationships with its environment and its strategy.

Gallagher and Brown (2007) stated that a company's culture influences every areas of work that the company does. It is the core of what the company is really like, how it operates, what it focuses on, and how it treats customers, employees, and shareholders. Organizational culture is not just only an important factor of an organization; it is the central driver of superior business performance.

According to Denison (2008), organizational culture reflects significant impact on the performance and effectiveness of organizations. Hence, strong organizational culture is directly related to the expected level of result. Denison developed a model of organizational culture in different contexts, attempting to quantify organizational culture by relating it to performance. His

model takes into account the four features of organizational culture: mission, participation, adaptability, and consistency, relating them to variables of performance and confirming the relationship between organizational culture and performance.

Kotter and Heskett (1992) found that corporate culture has a significant positive impact on a firm's long-term economic performance. They found that firms with cultures that emphasized all the key managerial constituencies (customers, stockholders, and employees) and leadership, outperformed firms that did not have those cultural traits by a huge margin. They were also forecasted that corporate culture was becoming more important factor in determining the success or failure of firms in the next decades.

These days, multinational corporations exist in unprecedented numbers. Besides their headquarters, these commercial and industrial firms have interests and plans established in several countries through which they internationalize their capital, organizational processes, and production by drawing on values, beliefs and procedures from these different locations. However, according to various researchers the kind of organizational culture required for a business success varies across organizations, business sectors and even countries. Likewise, on the past three decades several big multinational companies entered into Ethiopia with a massive investment made which are focusing on manufacturing & distributing of fast-moving consumer goods. In line with that, those companies are also bringing their globally operating organizational cultures into the local environment to drive ambitious business performance & win through the local competition. This research will study the impacts of organizational culture towards the financial & non-financial performances of those multinational companies that are dominantly operating in Ethiopia and intended to provide additional empirical evidences on the subject matter.

1.2. Background of Multi-national Companies in Ethiopia

Due to the globalization challenges, many multinational companies (MNCs) seek business expansion in the foreign countries through direct foreign investment and aggressively establishing subsidiaries with the purpose to maximize the value of shareholders' equity.

Recently Ethiopia has been made economic development strategy by emphasizing the structural change particularly by shifting of resources, especially labor, from agriculture sector to industry sector especially manufacturing sector targeting leather and textile industry. As part of the privatization policy & massive government focus on attracting foreign direct investment, large number of multi-national companies were flooding into the country on the past three decades. The country is attracting investors with tax incentives, low-cost labor, strategic location for trade, and improved transport infrastructure. Ethiopia emerged as the largest recipient of FDI projects in Africa as per the global indexes. A number of multinational companies such as Heineken, Diageo, Unilever, united beverages, Anchor, SAB miller, Tiger brands, Willmar, Bavaria group, Dangote are only few of the MNCs have made significant investment in Ethiopia in the past few years. Following their entrance to the Ethiopian market, those MNCs started introducing various forms of organizational cultural elements using their massive global experience and technological advantages that can help them to get a competitive advantage to drive excellent business performance and win through the market against the domestic and global competition.

1.3. Statement of the Problem

According to Denison (2008), organizational culture reflects significant impact on the performance and effectiveness of organizations. Hence, strong organizational culture is directly related to the expected level of result. Furthermore, Harrison (1994) suggested that the organizational cultures may vary based on the role, power structure and the capability to manage organization by the leaders of MNCs who bring their own national cultures to the workplaces. Harrison further explained that these organizations bring along their "cultural baggage" in the

form of systems, procedures, and techniques, similar to their home country wherever they do business and continue to function. For instance, American cultural values have affected the Exxon Mobil, IBM, and Dupont meanwhile Japanese cultural values pervade Mitsui, Hitachi, Sony and Nissan.

However, according to Chow, Kato & Merchant (1996), there are some aspects of corporate culture that may enhance performance in one national setting, but they may not be effective, and may even be dysfunctional, in another. This implies that corporate cultures are not universal. Most of the MNCs which are operating inside in Ethiopia has a distinctive & extensive organizational culture that they are introducing it constantly while operating in the local market. However, based up on the above cited research findings the organizational cultures which they test it in other markets may or may not work in the same fashion here in Ethiopian market context in terms of driving greatest business performance.

Thus, the researcher decided to study the distinctive cultural elements that are impacting business performance in those MNCs in Ethiopia and determine their level of influence on business performance using Denison model as its research frame.

1.4. Research Questions

Based up on the research gaps identified above, the following research questions developed for this study.

1. What kind of relationship are there between organization cultural dimensions & business performance both in financial & non-financial perspectives in multi-national environments in Ethiopia?
2. What are the additional dimensions of organizational cultures on those multinational companies in Ethiopia that are typically driving great business performance & what kind of relationship does it have on business performance?
3. On which part of the business performance (financial or non-financial perspectives?) the impacts of those organizational cultural dimensions out weights?

1.5. Research Objectives

The research has a general objective of determining the impacts of organization cultural dimensions on the business performances of those MNCs that are dominantly operating in Ethiopia. Meanwhile, the research has the following specific objectives:

- Identify the potential cultural dimensions that are impacting the business performance of those multinational companies.
- Compare and contrast the impacts of cultural dimensions in financial & non-financial performance of multinational companies.
- Review the best cultural practices on the existing multi-national companies that are operating here in Ethiopia.
- Formulate recommendations on the effects of organizational culture on business performance on multi-national companies' environment in Ethiopia.

1.6. Significance of the Research

This research gives a clear and deep insight on the relationship among various significant organization cultural dimensions towards both the financial and non-financial performances in those MNCs that are dominantly operating in Ethiopia so that they can practically using it as an input on the process of creating or recreating of their organizational cultural perspectives. Moreover, it aimed to indicate the best practices across those multi-national companies in terms of cultural model formulation that significantly impacting business performance. This research may also serve as a stepping milestone for other researchers who are planning to run a related study on this topic in multinational environment or other relevant sectors and can be used as a supporting empirical evidence on the topic.

1.7. Scope of the Research

The research is intended to assess the impacts of cultural dimensions (such as mission, participation, adaptability, and consistency) on both the financial & non-financial performances of the business based up on the model framework developed by Denison. For the purpose of conducting an insightful research, the researcher focused selectively on five multi-national companies that are dominantly operating in Ethiopia mainly Coca Cola beverage Ethiopia, Diageo Meta Abo brewery, BGI Ethiopia, Heineken breweries and Habesha breweries. Furthermore, senior leadership team members who are currently working in various critical functions of those companies such as supply chain, commercial, marketing & innovation, human resource, finance, corporate relation & compliance areas involved as critical respondents of this research through online questionnaire techniques.

1.8. Limitations of the Research

In carrying out of this study, the researcher potentially encountered a constraint on time, social networking and budget. In spite of that the researcher focused on the selected five multi-national companies that are operating in Ethiopia to understand the impacts of organizational culture on business performance. Apart from that due to the researcher limitation to run an in-deep research involving all the critical employees on those companies, it rather focused on involving few selected senior leadership members in the form of online questionnaires techniques. Moreover, due to the confidential policies under those five multi-national companies that forced/obliged the respondents not to transfer any confidential information to any independent third parties created another constraint on the researcher on accessing of detailed information. As a result of that, the researcher put focused efforts to get only those non-confidential data from the respondents that are known to the larger public in various mediums of communication.

1.9. Operational Definitions and Terms

In this section the researcher stated some of the key terms based on operational definition as follows;

Culture: It is the belief, customs, arts with the full range of learned human behavior patterns. broadly, it is a social heritage of a group (organized community or society). It is a pattern of responses discovered, developed, or invented during the group's history of handling problems which arise from interactions among its members, and between them and their environment. These responses are considered the correct way to perceive, feel, think, and act, and are passed on to the new members through nurturing and teaching. Culture is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid. Culture determines what is acceptable or unacceptable, important or unimportant, right or wrong, workable or unworkable. It encompasses all learned and shared, explicit or tacit, assumptions, beliefs, knowledge, norms, and values, as well as attitudes, behavior, dress, and language.

Organizational Culture: Defined as the belief, principle, and underlying values that people learn over the course of time within an organization. It also includes an organizations expectation, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations.

Involvement: Involvement or employee involvement can be defined as creating an environment in which an employee participates more in the day-to-day decision-making which leads to a better relationship with the manager.

Consistency: Logically ordered and/or following the same pattern being in conformity with a set of rules, guidelines or policies.

Adaptability: Defined as the ability of an entity or organism to alter itself or its responses to the changed circumstances or environment that shows the ability to learn from experience, and improves the fitness of the learner as a competitor.

Mission: Defined as the company's business, its objectives and its approach to reach those objectives.

Performance: It is the process or action of performing a function or task. It is also the completion of a given duty measured against a given standard.

Financial Performance: It is the process of measuring the results of a firm's policies and operations in monetary terms. These results are reflected in the firm's return on investment, return on assets, value added etc.

Non-Financial Performance: A quantitative measures that cannot be expressed in monetary units which refers to service quality, market share and customers satisfaction.

1.10. Organization of the Study

This research is organized in to five chapters. The first chapter include contents of the study background, statement of the problem, objectives of the study, significance of the study, limitation of the study, operational definition of key terms and organization of the study. Chapter two contains a review of the literature on the link between organizational culture and business performance both in its financial & non-financial perspectives. The third chapter covers the research design and method of the study. The fourth chapter discuss about presentation, analysis and interpretation of the data collected. Finally, Chapter five includes the conclusions from the study, a summary of the findings and recommendations.

CHAPTER TWO: LITRATURE REVIEWS

2.1. Theoretical Literature Review

2.1.1. The Concepts of Organizational Culture

According to Schien (2010) culture is defined as a pattern of shared basic assumptions learned by a group as it answered its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the right way to perceive, think, and feel in relation to those problems.

The concept of organizational culture also makes available a base for determination the differentiation that may survive in-between the organizations that are doing business in the same national culture (Schein, 1990). Organizational culture could be built up by two essentials factors of social group: structural stability of a group and integration of single item in superior standard (Schein, 1995). Hodgetts and Luthans (2003), define the different characteristics that are associated with the culture of organization. Culture defined as system of common values which can be estimated that people describe the similar organization culture even with different background at different levels within the organization (Robbins & Sanghi, 2007). As per Stewart (2010), stated that organization's norms and values have a strong effect on all of those who are attached with the organization. For Stewart, norms are invisible but if the organizations want to improve the performance of the employees and profitability, norms are places first to look.

Meanwhile, Denison & Neale (2008) defined organizational culture as the 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.

In addition to the above definitions McShane and Mary (2010) explained that organizational culture consists of the values and assumptions shared within an organization. It defines what is important and unimportant in the company and, consequently, directs everyone in the

organization toward the “right way” of doing things. You might think of organizational culture as the organization’s DNA -invisible to the naked eye, yet a powerful template that shapes what happens in the workplace.

Furthermore, Chenot (2007) described organizational culture as a system of meanings and knowledge that develop into learned standards. These developed standards are allowing employees to evaluate their own behavior in relation to others and, conversely, others behavior in relation to organizational standards. He also explained that organizational culture consists of traditional or historically selected ideas, behaviors and related values. His assumption was also supported by Cameron and Quinn (2011) as culture is a socially constructed attribute of organizations that serves as the social glue binding an organization together.

Hofstede (1997) defines culture as the collective programming of the mind, distinguishing the members of one group or category of people from others. According to him, national and organizational cultures are phenomena of different structures. At the national level, cultural differences reside in values, while, at the organizational level, they reside in practices.

In general terms all the aforementioned scholars agreed with the concept of organizational culture as the norms, values, beliefs and assumption that employees share in their organizational set up. Moreover, Shein (2010) indicated that organizational culture focused on private, public, non-profit organizations and governmental organizations. The culture of a group or organization is defined by Schein as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

2.1.2. Characteristics of organizational culture

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

1. Norms are measured by things like by the amount of work done and also by the level of cooperation between management and employees of the organization.

2. Clear rules are defined for employee's behavior associated to the productivity, intergroup cooperation and customer relationship.
3. Observed behavioral regularities by illustrate common language and formal procedures.
4. Coordination and integration between the organizational units for the purpose of improvement in efficiency to works, quality and speed of designing, manufacturing the products and services.

2.1.3. Conceptualizations of culture of organizations

According to Alvesson (1989), conceptualization of the organization culture depends on the scale of two extremes: Process oriented and classification approaches.

2.1.3.1. Process oriented approach to organizational culture

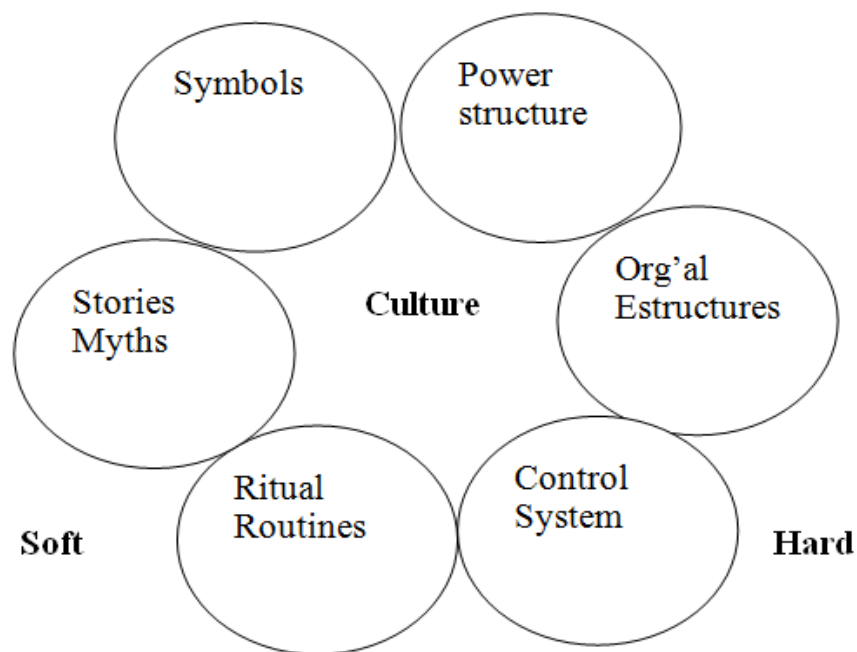
According to Roskin (1986), this approach shows organizational culture as permanent response for collective meaning. Schein's (1990), model of organizational culture represents this approach and describe organizational culture as an outline of fundamental hypothesis invented or developed by a specific group to learn about the specific problem and worked well sufficient to considered suitable. He defines the three levels of the culture; behaviors (make the social and physical environment), values (underlying the meaning by which outlines of artifacts are interpreted), and basic assumptions (unconscious level of behaviors which are most difficult to learn or change).

2.1.3.2. Classification approach to organizational culture

According to this approach, organizational culture converse to a range of ideas that can be imitate by two or more variables. From this approach numbers of quantitative methods are utilized to measure the culture of organization on the base of typology of culture (Rousseau, 1991). One of the most popular conceptualizations of culture is to be understood by onion model. Organization culture is considered like onion based on different layers. Norms and values are the

invisible but most important aspect of the organizational culture. We can look many cultural signs, artifacts, and outline of behavior of the employees.

Figure 1: The Onion Model of Organizational Culture



Source: Organizational Culture Analysis: The Importance of Organizational Culture Copyright©199, 2000 Holistic Management Pty, Ltd.

2.1.4. Levels of Organizational Culture

Schein (2010) stated that culture can be analyzed at three different main levels, from the very obvious things that are easy to see, to the more hidden unconscious sides of a culture.

Artifacts: These are the visible organizational structures and processes of a culture. Artifacts are things at the surface; all the phenomena that one sees, hears and feels when introduced to a new culture. It may be a language, rituals or clothing. At this level of culture, it is easy to observe but very difficult to interpret. An outsider may be able to describe what he or she sees and feels but cannot say what these things actually mean to the group. If the outsider lives in the group long enough, the meanings of the artifacts become gradually clear. If this level of understanding is to

be achieved more quickly, one can attempt to analyze the espoused values, norms, and rules that provide the principles of a culture.

Espoused beliefs and values: It comprise of the strategies, goals and philosophies of an organization. This is the level at which a group learns that certain beliefs and values “work” in the sense of reducing uncertainty. Beliefs and values at this conscious level will predict much of the behavior that can be observed. If these beliefs and values are somewhat aligned with the underlying assumptions, then turning those values into a philosophy may be of great help in bringing the group together, creating identity and giving a core mission. Espoused beliefs and values may leave large areas of behavior unexplained, giving the feeling that one understands a small piece of a culture, but is still missing the big picture. To get to the deeper understanding one has to understand the basic underlying assumptions of those cultures.

Basic underlying assumptions: This incorporates the unconscious, taken-for-granted beliefs, perceptions, thoughts and feelings, (ultimate source of values and action). Basic assumptions are created when a solution to a problem is used repeatedly and eventually taken for granted. If a basic assumption is strongly held in a group, members will find any other behavior unthinkable. Basic assumptions tend to be non-confrontable and non-debatable and are therefore extremely difficult to change. Culture as a set of basic assumptions defines for us what to pay attention to, what things mean, how to react emotionally to what is going on, and what actions to take in different situations. We create a “mental map” and feel safe and comfortable in the presence of people that share our assumptions, and very uncomfortable and vulnerable in situations where other assumptions operate.

Moreover, Hofstede (1990) developed a four-layered hierarchical model of culture which helps to identify and categories the constituent elements of culture.

- **Shared Assumptions:** These represents beliefs about reliability and human nature that are taken for granted.
- **Cultural Values:** These represents collective beliefs, assumptions, and feelings about what things are good, normal, rational, and valuable. Cultural values might be very different in different organizations; in some, employees may care deeply about money, but, in others, they may care more about technological innovation or employee well-being.

- **Shared Behaviors:** These are more visible and somewhat easier to change than values. The reason is that people may be unaware of the values that bind them together.
- **Cultural Symbols:** The most superficial level of organizational culture consists of symbols; such as words (jargon or slang), gestures, and pictures or other physical objects that carry a particular meaning within a culture.

2.1.5. Traits and Dimensions of Organizational Culture

Denison developed a model of organizational culture in different contexts, attempting to quantify organizational culture by relating it to performance. His model takes into account the four dimensions of organizational culture mainly mission, participation, adaptability, and consistency.

Denison, (2000) conducted an investigation on organizational culture and effectiveness of organization. He outlined the following cultural some significant cultural dimensions in his model that are described below.

Involvement: Effective organizations empower and engage their people, build their organization around teams, and develop human capability at all levels. Organizational members are committed to their work and feel a strong sense of ownership. People at all levels feel that they have at least some input into decisions that will affect their work and feel that their work is directly connected to the goals of the organization. This allows high involvement organizations to rely on informal, voluntary and implicit control systems, rather than formal, explicit, bureaucratic control systems. In the model, this dimension is measured with three indexes mainly empowerment, team orientation & capability development.

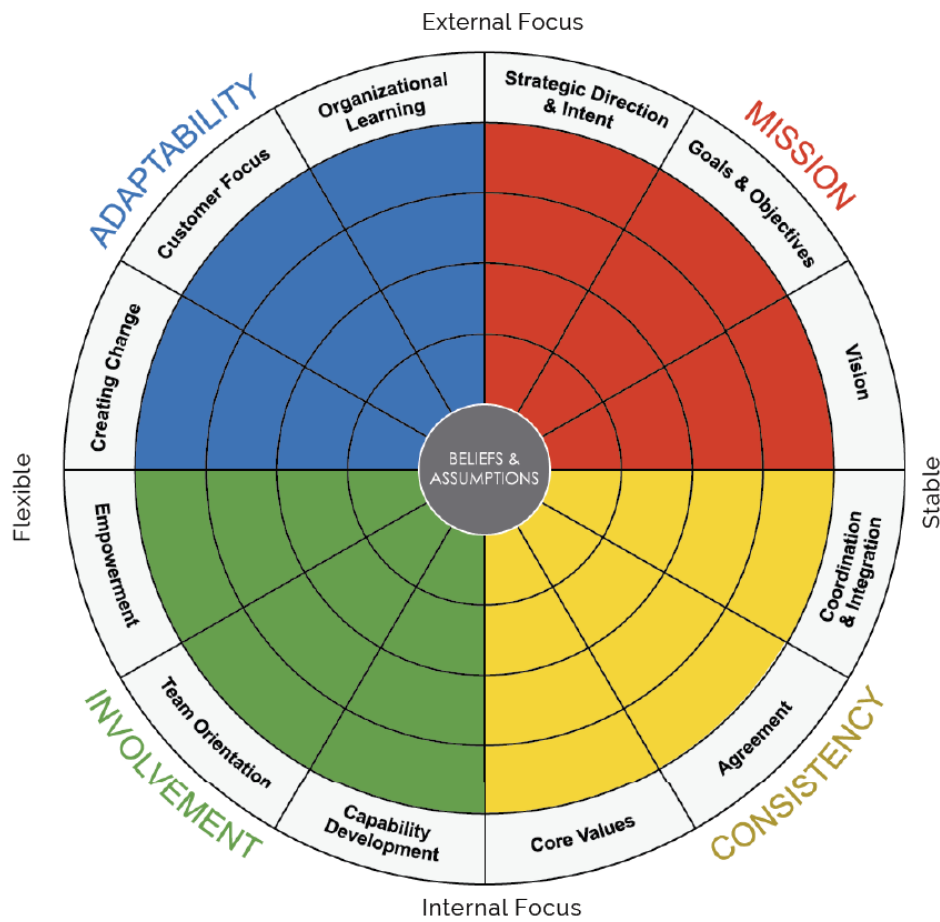
Consistency: The organizations are effective when they are consistent and well-integrated. Behavior is rooted in a set of core values, leaders and followers are skilled at reaching agreement and incorporating diverse points of view, and the organization's activities are well coordinated and integrated. Consistent organizations develop a mindset and create organizational systems that build an internal system of governance based on consensual support. These implicit control

systems can be a more effective means of achieving coordination and integration than external-control systems that rely on explicit rules and regulations. These organizations have highly committed employees, a distinct method of doing business, a tendency to promote from within, and a clear set of “do`s” and “don’ts”. In the model, this specific dimension is measured with three indexes mainly core values, agreement and coordination & integration.

Adaptability: Despite some of the natural advantages of well-integrated organizations, they can also be the least adaptive and the most difficult to change. Internal integration and external adaptation can be at odds. Adaptable organizations translate the demands of the organizational environment into action. They take risks, learn from their mistakes, and have capability and experience at creating change. They are continuously improving the organization’s ability to provide value for its customers by creating a system of norms and beliefs that support the organization’s capacity to receive, interpret, and translate signals from its environment into internal systems that increase the organization’s chances for survival and growth. Organizations that are strong in adaptability usually experience sales growth and increased market share. In the model, this specific dimension is measured with three indexes mainly change creation, customer focus & organizational learning.

Mission: Successful organizations also have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of what the organization will look like in the future. A mission provides purpose and meaning by defining a social role and external goals for the organization. It provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. A sense of mission allows an organization to shape current behavior by envisioning a desired future state. Being able to internalize and identify with an organization's mission contributes to both short- and long-term commitment to the organization. In the model, this specific dimension is measured with three indexes mainly strategic direction & intent goals and objectives and vision.

Figure 2: Traits/Dimensions of Organizational Culture



2.1.6. Common Characteristics of Great Multi-National Corporate Cultures

According to Lens Adams (2018) there are six commonly seen characteristics of great multinational corporate cultures that are describes as below:

Clear Vision and Mission: A strong corporate culture starts off with a clear vision and mission. You know what you want and how to get it. Usually vision and mission are a phrase that gives your company and employee purpose. But it is not simply enough that this purpose is stated; for

an organization to have a clear vision and mission, they must understand it. Each employee understands what their purpose is, the role that they play, and what responsibility do they shoulder. Employees who know what their purpose is and adapt their decisions to that purpose. Having a clear vision and mission can also boost understanding between suppliers, business partners, and customers. Vision and mission are the basic, but most essential element of identity in corporate culture.

Code of Conduct: Apart from purpose, a code of conduct is a set of guidelines that are needed to realize their goals. The code of conduct establishes the spirit of commitment and trust within the organization. This guideline is communicated all over the company to build the proper behavior and mindsets that are needed to correspond to coworkers, handle clients, interact with partners, and promote professional conduct.

Teamwork: The corporate world is highly competitive; employees have to gain advantage over their peers to retain their positions or be promoted to a higher one. An organization may have competitors, but it should not be. Strong corporate culture involves learning to work with each other in teams. Every employee in the organization and their team is moving towards the same goal and they are at the same side. Unity is encouraged and should be appreciated.

Adapting to Change and Facing Challenges: When organizations face changes, employees tend to be distracted. It is usually fear of the unknown and what change that would bring. This fear of uncertainty incapacitates development and ability to be flexible makes employees distracted from their vision and mission. Upholding a strong culture motivates to face these challenges that seem to be difficult to win over; the resolve to realize the organization's vision is stronger than the fear of the uncertain. Managers and team leaders should give proper support to keep their employees in track despite the difficulties.

Communication: Through communication, employees get a clear understanding what and on how their organization is trying to achieve. It is a simple way for the organization to reach out and listen to their employees' voice regarding management, departments, and colleagues. Feedbacks that are received clearly, productively, and with sensitivity to variety of personalities, temperaments, and cultures. This promotes a culture of sharing sentiments and knowledge; the organization also promotes a culture that shows genuine care for their employees.

Thriving Workplace: A healthy working environment demonstrates corporate responsibility of their employees. Not only should you have high standards on results, you should also have a high standard on your employees' wellbeing. Not only through a physical and mental aspect, a strong corporate culture should also consider the thriving working environment that enhances employees' skills and talents. A healthy working environment motivates employees to work, be absent less often, and are more motivated which is a win for everyone.

2.1.7. The Concept of Organizational Performance

According to Daft (2000), organizational performance is the organization's ability to attain its goals by using resources in an efficient and effective manner. Similarly, Richardo (2001) defined organizational performance as the ability of the organization to achieve its goals and objectives. Furthermore, Hefferman and Flood (2000) stated that Organizational performance has suffered from not only a definition problem, but also from a conceptual problem. The concept of organizational performance in modern management suffered from problems of conceptual clarity in a number of areas. The first was the area of definition while the second was that of measurement. The term performance was sometimes confused with productivity. According to Ricardo (2001), there was a difference between performance and productivity. Productivity was a ratio depicting the volume of work completed in a given amount of time meanwhile performance was a broader indicator that could include productivity as well as quality, consistency and other factors.

According to Moullin (2003) defines an organization performance as how well the organization is managed and the value the organization delivers for customers and other stakeholders.

Finally, according to Denison (2008) performance is equally defined as the achievement of financial and non-financial goals that enables an organization to remain viable and sustainable both in the short term and in the long run.

2.1.8. Measurements of Organizational Performance

Performance refers to the degree of achievement of the mission at workplace that builds up an employee job (Cascio, 2006). Different researchers have different thoughts about performance. Mostly researchers used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996).

According to Hefferman and Flood (2000) organizational performance does not only mean to define problem but it also for solution of problem. Furthermore, Daft (2000), said that organizational performance is the organization's capability to accomplish its goals effectively and efficiently using resources. As similar to Daft (2000), Richardo (2001) said that achieving organizational goals and objectives is known as organizational performance. Richardo suggested that organizations success shows high return on equity and this become possible due to establishment of good employee's performance management system.

According to Denison (1991), organizational performance measured in its financial & non-financial perspectives. Moreover, Parnell & Wright (1993) developed an organizational financial performance indicators that mainly incorporated gross profit, return on asset (ROA), return on investment (ROI), return on equity (ROE), return on sale (ROS), revenue growth, market share, stock price, sales growth, export growth, liquidity and operational efficiency. Additionally, Denison (1991) indicated some critical non-financial organizational performance indicators mainly innovation, quality of products and services, and employee satisfaction.

According to Ittner & Larcker (1998) Strategic Performance Measurement System (SPMS) is a very important for organizations to make performance measurement system to evaluate the performance of the employees, which is very helpful to evaluating the achievement of organizational goals and in developing strategic plans for the organizations.

Strategic performance measurement system (SPMS) is a new approach to measure the performance rather than traditionally. Chenhall (2005), said that the SPMS provide a way to translate and measure the both financial and non-financial performance. He also suggests that it is the incorporative nature of this measurement technique; provide the potential to increase the strategic competitiveness of the organization. As similar with Chenhall (2005), Vein, Burns and McKinnon (1993), was agreed that the use of multiple performance measures consist on financial and non-financial is generally most good for owner and management, which is helpful to enhance protection towards the uncontrollable events outside the organizations.

Kaplan and Norton (1992), suggested that Balance Scorecard (BSC) is the one of most important SPMS tools. Balance Scorecard provides help or framework to ensure that the strategy is interpreted into rational set of performance measurement. Linked together on causal relationship it covers four main viewpoints, like as, financial, internal business process, customer, and learning & growth.

2.1.9. The Relationship between Organizational Culture and Performance

According to Denison (2008), organizational culture reflects significant impact on the performance and effectiveness of organizations. Denison's research of 34 large American firms found that companies with a participative culture reap a Return on Investment (ROI) that averages nearly twice as high as those in firms with less efficient cultures. Denison's study provides empirical evidence that the cultural and behavioral aspects of organizations are intimately linked to both short-term and long-term survival. Denison examined the relationship between corporate culture and performance. In that study, corporate culture was based on the perceptions of organizational practices and conditions, to characterize the organizational culture. He found that the organization with participative culture performed better than other cultural types. Hence, strong organizational culture is directly related to the expected level of result. Furthermore, Denison developed a model of organizational culture in different contexts, attempting to quantify organizational culture by relating it to performance. His model takes into account the four features of organizational culture: mission, participation, adaptability, and

consistency, relating them to variables of performance and confirming the relationship between organizational culture and performance.

Kotter and Heskett (1992) found that corporate culture has a significant positive impact on a firm's long-term economic performance. They found that firms with cultures that emphasized all the key managerial constituencies (customers, stockholders, and employees) and leadership from managers at all levels, outperformed firms that did not have those cultural traits by a huge margin. They were also of the opinion that corporate culture was becoming more important in determining the success or failure of firms in the next decade.

Various researchers have attempted to validate Denison's model that already indicated above. These include Gómez and Ricardo (2012), who establish a direct, positive relationship between culture and innovation; Mobley, Wang and Fang (2005), who, on the basis of this relationship, propose profiles of different companies; and Nazir and Lone (2008), who study employees of firms in the cement, textile, and steel industries, obtaining the same results as Denison. Moreover, other researchers mainly Franke, Hofstede and Bond (1991) and Gálvez and García (2011) are able to relate organizational culture with performance in its various perspectives. However, there are some other researchers like Martinez (2010) who didn't obtain a strong affirmation about Denison's model discriminative validity in relation to the firms studied.

2.1.10. Performance Management in Multi-National Companies

Most of the MNCs separately measure their financial and non-financial business performances. The financial performance measures are expressed in monetary terms which are found in financial statements such as income statement, balance sheet and cash flow statements (Simons, 2000). Since financial performance measures are mostly based on short term measurement periods, it is considered that they motivate managers to become short term oriented. The commonly used financial business performance measures in MNCs environment includes operating profit, net profit, net sales volume, cost of goods sold, return on investment and inventory turnover. Moreover, non-financial performance measures are used to evaluate quality or quantity of business activity and expressed in terms of units rather than values (Warren and Reeve, 2006). The commonly used non-financial business performance measures in MNCs

environment includes product quality, customer satisfaction level, market share, innovation and employee satisfaction index.

2.2. Empirical Review

Research of the link between organizational culture and performance had increased substantially during the past two decades (Lim,1995). One of the earliest studies investigating the relationship between organizational culture and organizational performance was carried out by Peters and Waterman (1982) and they reported a significant link between a particular type of strong culture and superior financial performance. After them, Kotter and Heskett (1992) also proved the existence of a similar relationship. In their study, the authors found that the content (type) of culture is the impact that adaptive culture has on performance.

The Denison's Model of Culture and Effectiveness (Denison, 1990) presents the interrelations of an organizations culture, its management practices, its performance and its effectiveness. It highlights the importance of linking management practices with underlying assumptions and beliefs when studying organizational culture and effectiveness. Many researchers have attempted to validate Denison's model. These include Gómez and Ricardo (2012), who establish a direct, positive relationship between culture and innovation; Mobley, Wang and Fang (2005), who, on the basis of this relationship, propose profiles of different companies; and Nazir and Lone (2008), who study employees of firms in the cement, textile, and steel industries, obtaining the same results as Denison. Similarly, According to Lee and Yu (2004) "Most organizational scholars and observers now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations".

According to Barney (1991), organizational cultures provide sustainable aggressive and competitive advantages for companies. He introduced three conditions to make that happen; first, he suggests that culture must be viable, second the culture must be rare and have attributes and third culture must be imperfectly imitable.

Gálvez and García (2011) empirically validate the relationship between different types of organizational culture (clan, adhocracy, hierarchy, market, and innovation) and performance systems (internal processes, open systems, rational, human relations).

According to Deal and Kennedy's (1982), both strong and weak culture have a great impact on the organizational behavior but in the strong culture, employee's goals are side with the goal of management and helpful to increase the overall organizational performance. In a study carried out for developing a model for the relationship between organizational culture and organizational performance, Marcoulides and Heck (1993) used criteria such as sales, profit, market share and active profitability as performance measures and reported that organizational culture variables are determinants in organizational performance.

Between 1990 and 2007, more than 60 research studies covering 7,619 companies and small business units in 26 countries have found that organization culture and business performance are strongly related but the level of relationship and magnitude of the cultural traits potentially vary from one market to another or from one culture to another.

2.3. Conceptual Framework

This research bases its framework on Denison model that drives the impacts of organizational culture on the performance and effectiveness of organizations. His model takes into account the four features of organizational cultures such as mission, participation, adaptability, and consistency as an independent variables and relating them to dependent variables of organizational performance and confirming that there is a valid relationship between organizational culture and performance (in its financial & non-financial perspectives). Similarly, this researcher also conducted a research based up on the above theoretical & empirical research evidences applied by Denison. Accordingly, this specific research also apply the four significant organizational cultural dimensions (traits) mainly mission, participation, adaptability, and consistency as independent variables and dependent variables of financial performance indicators (such as net profit, sales growth, cost of goods sold, operating cash flow & return on investment) with that of the non-financial performance (such as market share, innovation performance,

customer satisfaction, and product quality) in the multi-national companies that are existing in Ethiopia.

Figure 3: Conceptual Framework Design



CHAPTER THREE: RESEARCH DESIGN & METHODOLOGY

3.1. Introduction

This chapter of research methodology section focuses on research approach, research design, variables, target population, sampling technique, sample size, data collection instrument, method of data collection and data analysis and presentation tools to report the study results.

3.2. Research Design and Approach

According to Cooper (2006), the research design provides an operational frame within which facts will be placed, processed through analyzing procedures and valuable research output is produced. This research adopted a quantitative research approach while understanding the impacts of the key cultural traits (such as mission, participation, adaptability, and consistency) on both the financial & non-financial performances of the business using descriptive and inferential form of analysis techniques. The study's dependent variable are organizational performance in both its financial & non-financial perspectives, while independent variables were organizational culture that involves the traits of mission, participation, adaptability, and consistency.

3.3. Types and Sources of Data

The research used primary data through the form of online questionnaires applying a purposive sampling technique involving senior leadership team members that are currently working across those selected five multinational companies that are operating in Ethiopia.

Furthermore, the research also use an extensive secondary data including prior research on same topics, journal publications, bulletin publications, published books,...etc. depending up on its relevance for this research.

3.4. Target Population

The researcher selectively focused on five multi-national companies that are dominantly operating in Ethiopia mainly Coca Cola beverage Ethiopia, Diageo Meta Abo brewery, BGI Ethiopia, Heineken breweries and Habesha breweries. The researcher only considers respondents on the abovementioned companies who are holding a senior leadership role in various critical functional areas mainly supply chain, commercial, marketing & innovation, human resource, finance, corporate relation and compliance with an estimated 35 number of total population size.

3.5. Sample Frame

The 35 number of target population includes senior leadership team members on the abovementioned 5 MNCs who are working on every critical functions mainly supply chain, commercial, marketing & innovation, human resource, finance, corporate relation and compliance areas to ensure high level of diversity. The researcher applied a purposive sampling technique to include only those intended type of respondents. Various scholars agree that the purposive sampling technique, also called judgment sampling, is the deliberate choice of a participant due to the qualities the participant possesses. For that matter the researcher totally excluded non-senior managerial staffs from that has limited understanding and awareness on the strategic issues of those businesses. Furthermore, the researcher grouped the respondents in to 6 (six) groups to compare the information based up on the abovementioned critical functional areas in those companies.

3.6. Sample Size

The researcher used a formula suggested by Yamane (1967) to decide on the sample size that is indicated below for a 95% confidence level and $p = 0.5$.

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

Where n is the sample population, N is the population size and, e is the level of precision and 1 is a constant.

Accordingly, the researcher applied the above formula & come up with a sample size of 35 which is representative of the total target population with 95% of confidence interval that leave a 5% room for the tolerance of any research error.

Table 3.1. Population Distribution

S/N	List of Multi-national Companies	Population of Senior Leadership Teams	Percentage Distribution	Sample Size
1	Diageo Meta Brewery	6	15%	6
2	BGI Ethiopia	8	21%	7
3	Heineken Ethiopia	9	24%	8
4	Coca Cola Beverage Ethiopia	9	24%	8
5	Habesha Breweries	6	16%	6
Total		39	100%	35

3.7. Instrument Design/Measurement

The data gathering tools for this study were questionnaires which has a total of 54 questions in its scope and administered to 35 respondents. The questionnaire was adopted from Denison's model of organizational culture and included self-administered questions to understand its impact on business performance in its both financial and non-financial perspectives. The developed questionnaire has three parts: Part I has questions that assessed the respondents basic/demographic information, Part II has questions that assessed the respondents perception on the relevance of the 4 cultural trait categories and 12 sub cultural traits under those 4 cultural traits and Part III has questions that assessed the perceptions of the respondents on the 9 financial and non-financial performances of their respective organizations.

All respondents were asked to rate their perceptions using a five-point Likert Scale. In this scoring system, for each of the five response categories (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree), with the highest score of 4 assigned to "Strongly Agree".

3.8. Data Collection Procedures

The researched applied a quantitative method of research instrument and a structured questionnaire used as a form of primary data collection incorporating two parts: Part I is to collect the respondents basic/demographic information, Part II has questions to assess the respondents perception on the dimensions of the organizational culture and Part III has questions that assessed the perceptions of the respondents financial and non-financial performances of their respective organizations.

From the procedural perspectives, the researcher had a prior phone call conversation with each of the respondents to give a brief description about the purpose and intension of the research to build good relationship and trust with the respondents and clearly indicated by when and through which mode of communication that the questioner provided to them. Once the researcher created sufficient awareness on the parts of the respondents, the researcher sent the questioner to the

respondents through an email clearly stating the timeline for its completion and continuously did a follow up check with each and every respondent up until the complete response delivered to the researcher.

The collected primary data analyzed quantitatively using a descriptive and inferential research method to determine the impacts of organizational culture on both financial and non-financial business performances under those selected multi-national companies' environment. For that the researcher applied the model developed by Denison to incorporate the four organizational cultural dimensions mainly mission, adaptability, consistency and participation and also incorporate the elements of business performance in its both financial and non-financial perspectives while developing the questionnaire and got an approval from his advisor before circulating the questionnaire to its intended respondents.

3.9. Validity and Reliability

Validity explains how well the collected data covers the actual area of investigation (Ghauri and Gronhaug, 2005). As agreed commonly by most scholar's validity refers to the appropriateness of the inferences made about the results of an assessment. Furthermore, it focuses on the consequences of the inferences made implies that they should be appropriate and adequate.

Reliability concerns the extent to which a measurement of a phenomenon provides stable and consistent result (Carmines and Zeller, 1979). For example, a scale or test is said to be reliable if repeat measurement made by it under constant conditions will give the same result (Moser and Kalton, 1989). Generally, from the above definition one can understand that validity concerns whether an instrument can accurately measure, while reliability pertains to the consistency in measurement.

The most commonly used internal consistency/reliability measure is the Cronbach Alpha coefficient. It is viewed as the most appropriate measure of reliability when making use of Likert scales (Whitley, 2002, Robinson, 2009). No absolute rules exist for internal consistencies, however, most agree on a minimum internal consistency coefficient of .70 (Whitley, 2002, Robinson, 2009). Moreover, among the three validity measures by Greener (2008), the

researcher applied constructive validity on designing of the questionnaire. According to Greener (2008), construct validity is the assumption that the instruments must actually measure what they are purported to measure. In order to overcome such challenges, the researcher developed a sample preliminary questionnaire that was pilot tested on 10 (ten) respondents with one each from the selected companies and all the feedback generated from the results of the pilot questionnaire testing already incorporated on the final questionnaire document. The purpose of the pilot test was to check the reliability and validity of the instrument and the feedbacks obtained were instrumental in increasing the response rate understandability of the questionnaire.

As demonstrated on the below table that indicate the Cronbach Alpha coefficient result conducted with pilot questionnaire testing respondents showed 0.845 which is higher than its minimum requirement of 0.7. This indicated that all the questions asked to the respondents are accepted, internally consistent and the scale deemed reliable for further analysis.

Table 3.2. Reliability Analysis on Sampled Questionnaire

S/N	Organization Cultural Indicators	Number of Attributes	Cronbach's Alpha
1	Involvement/Participation	11	0.870
2	Consistency	10	0.797
3	Adaptability	14	0.868
4	Mission	10	0.73
5	Performance	9	0.962
Aggregate Average Coefficient Value			0.845

3.10. Method of Data Analysis

The research applied a descriptive & inferential method of data analysis through various ways of comparisons, tabulations, graphical presentations, average (mean) analysis, standard deviation analysis, Pearson correlation and multiple regression analysis in order to determine the impacts

of organizational culture on both the financial and non-financial performances of those selected multi-national companies that are included on the scope of this research. Finally the researcher interpret the outcome of the analysis, draw a conclusion of the research strictly based up on the interpretations of the data analyzed without putting any personal biasness and come up with a summary of recommendation that can be applied on those multi-national companies that are operating in Ethiopia which can be used by future researchers on similar topics.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1. Introduction

This chapter presents the analysis and interpretation of the data collected as part of studying the impacts of organization culture on business performance both in its financial and non-financial forms in MNC's operating here in Ethiopia. The chapter has a content of introduction, response rate summary, demographic characteristics of respondents, participation/involvement culture and performance, consistency culture and performance, adaptability culture and performance, mission culture and performance.

4.2. Respondents Rate of Return Summary

Out of the total of 35 questionnaire forms distributed to the senior leadership team members under those selected five MNC's in Ethiopia, 35 of them responded the questionnaire by filling it as per the requirement which makes the respondents rate of return level to 100%.

Table 4.1. Respondents Rate of Return Summary

S/N	Description	Measures
1	Total target population	39
2	Total number of questionnaire forms distributed	35
3	Returned filled out questionnaire forms	35
4	Non returned questionnaire forms	0
5	Percentage of respondent's rate of return	100%

4.3. Demographic Characteristics of Respondents

As part of understanding the demographic makeups of the target population of this study, respondents were asked to indicate their age, gender, educational qualification, years of experience in MNC's environment and functional areas using the interval ranges incorporated on the questionnaire form that accompanied every potential respondents personal profiles. The summary of the demographic results summarized on the below table and graph.

Table 4.2. Summary of Respondents Demography

S/N	Description		Frequency of Observation	Percentage Distribution	Cumulative Percentage Distribution
1	Age Makeup	Between 25 to 30	4	11%	11%
		Between 31 to 40	23	66%	77%
		Between 41 to 50	6	17%	94%
		Above 51	2	6%	100%
2	Gender Makeup	Male	26	74%	74%
		Female	9	26%	100%
3	Educational Qualification Makeup	BA/BSC	6	17%	17%
		MA/MSC	28	80%	97%
		PHD	1	3%	100%
4	Years of Experience in MNC's Environment	Below 5 years	1	3%	3%
		Between 5 to 10 years	14	40%	43%
		Between 11 to 15 years	19	54%	97%
		Above 16 years	1	3%	100%
5	Functional Area/Profession	Commercial	9	26%	26%
		Finance	5	14%	40%
		Marketing	5	14%	54%
		Supply Chain	10	29%	83%
		Human Resource	3	9%	91%
		Others	3	9%	100%

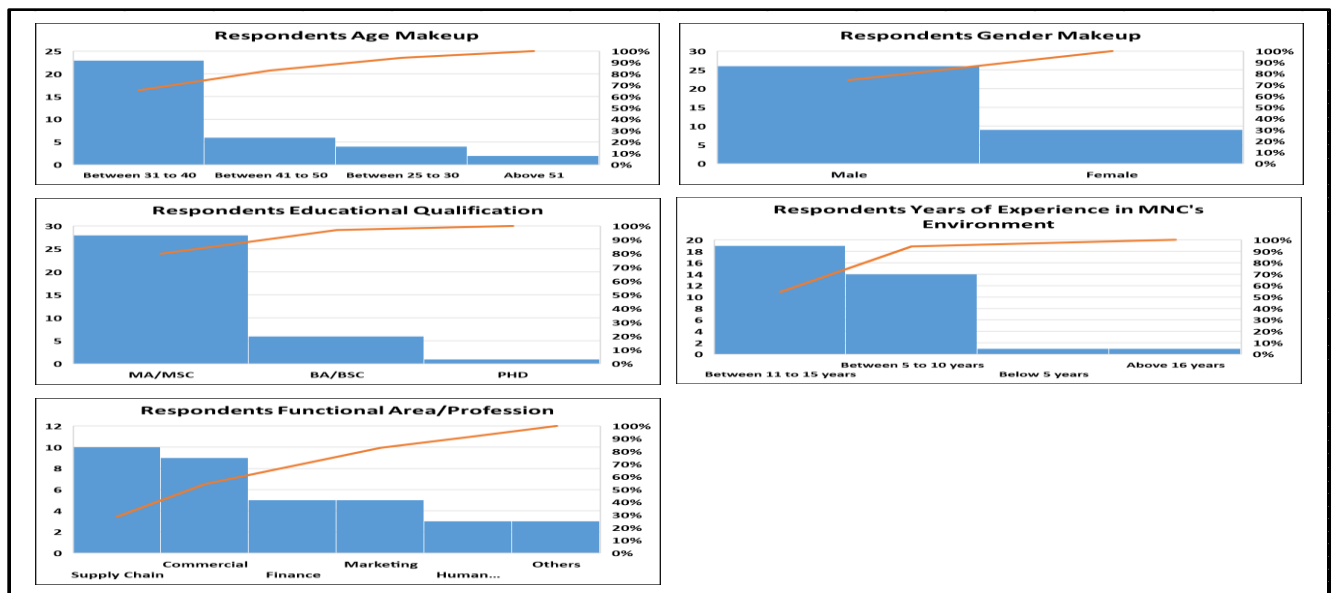
Out of the total target population, 74% of the respondents were male population and the remaining 26% of the population were females. In terms of age mix 66% of the respondents were found between the age of 31 to 40, whereas 17% of the respondents found out to be between 41 to 50 age group, respondents with the age group between 25 to 30 years comprises of 11% of the population and the remaining 6% of the population found out to be beyond 50 years of age.

Furthermore based up on the educational qualification profiles of the respondents 80% of the target population holds either MA or MSC degrees, meanwhile 17% of the population holds either BSC or BA degrees and the remaining 3% of the population found out to be a PHD degree holders.

Looking at the experience level of the respondents under the MNC's environment, 54% of those respondents had an experience between 11 to 15 years, 40% of them between 5 to 10 years, 3% below 5 years and the remaining 3% had an experience beyond 16 years.

Finally, 29% of the target population worked under supply chain function, 26% of them under commercial function, 14% in finance function, 14% in marketing function, 9% in human resource function and the remaining 9% of them worked on various other functions in those five companies selected as a scope of this research.

Graph 4.1. Graphical Illustration of Respondents Demography



4.4. Descriptive Analysis of Organization Cultural Traits and Organizational Performance

For the purpose of understanding the impacts of organization culture on business performance under those multi-national companies environment, the senior leadership members as a targeted respondent of the study requested to indicate their level of agreement to the questions raised in connection with the four key cultural traits and determine their perception on its respective impacts on the business performance both in its financial and non-financial perspectives. The respondents rating using the Likert scale are analyzed through descriptive statistics incorporating minimum point, maximum point, mean and standard deviations. On the below section the respondent's perception on the four organization cultural traits with its impact on business performance are analyzed and presented.

4.4.1. Descriptive Analysis on Involvement/Participating Cultural Traits

This specific cultural trait was addressed using three subcategories mainly empowerment, team orientation and capability development. The summary of the respondent's perception about those cultural traits and its impact on business performance based up on the feedbacks given from the respondents demonstrated on the below tables.

Table 4.3. Descriptive Analysis on Involvement/Participating Cultural Traits

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Q1. In your multi-national company platform decisions are made at involving all critical stakeholders of the business.	35	2	5	132	3.77	0.843
Q2. You company provides valuable resources that employees need to succeed & continuously put maximum efforts on	35	2	5	134	3.83	0.891
Q3. Information is widely shared among employees based up on the level of their needs.	35	2	5	140	4.00	0.767
Q4. There is good level of trust in your organization that is creating a space for employees' freedom to succeed and	35	2	5	128	3.66	0.968
Q5. There is an open communication platform across various function of the company.	35	2	5	133	3.80	0.933
Q6. Diversity of capability highly promoted.	35	2	5	132	3.77	0.877
Q7. There are proper ways & procedures of conflict resolution.	35	1	5	117	3.34	0.998
Q8. Employees are committed to work for the same goal through collaboration & trust each other.	35	1	5	128	3.66	1.162
Q9. There is a room for delegation of employees with appropriate authority vested on them.	35	2	5	136	3.89	0.718
Q10. There is a continuous focus talent development and career succession plan on employees.	35	2	5	130	3.71	0.926
Q11. The capabilities of employees are viewed as an important source of competitive advantage and asset to the	35	2	5	136	3.89	0.796
Valid N (listwise)	35				3.76	0.898

Source: Own SPSS survey on 2021

The data on the above table showed us from the involvement/participating organization cultural trait has a weighted average mean of 3.76 with a standard deviation of 0.898. In specific terms this cultural traits ranged from the maximum mean value of 4 and its respective standard deviation of 0.7671 which implied greater level of information sharing to employees who are working in those selected multi-national companies to the minimum mean value of 3.34 with its respective SD value of 0.998 which in turn implied having inefficient ways of conflict resolution protocols on those companies.

4.4.2. Descriptive Analysis on Consistency Cultural Traits

This cultural trait of consistency was addressed using three subcategories mainly company core values, overall agreement and coordination & integration. The summary of the respondent's perception about those cultural traits presented on the below tables. As demonstrated on table 4.3 the consistency cultural trait has a weighted average mean value of 3.69 with its respective SD value of 0.844 which implied that most of the respondents inclined to agree that those three cultural sub elements determine the consistency of their respective companies. The respondents strongly agree on their perception that their respective companies had a clear consistence code of conduct that can govern the way of business doing reflected with a maximum mean value of 4.14 with its respective SD value of 0.879. In contrast, the respondents demonstrated that there are unnecessarily political tensions across various functions of their respective business and revert with their undecided or with their disagreement responses.

Table 4.4. Descriptive Analysis on Consistency Cultural Traits

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Q12. Employees has clarity on the company vision statement.	35	2	5	134	3.83	0.923
Q13. Employees & leaders consistently preaching and acting as per the vision of the company.	35	2	5	134	3.83	0.857
Q14. There is a clear and consistent code of conduct that govern the way organization does business.	35	2	5	145	4.14	0.879
Q15. There is a win-win approach followed while settling disputes among individual employees.	35	2	5	126	3.60	0.775
Q16. There is a clear alignment among employees regarding what is the right and wrong code of conduct.	35	2	5	132	3.77	0.808
Q17. It is easy to reach consensus even conflicting issues arise with low level of hard feeling on the minds of employees.	35	2	5	123	3.51	0.781
Q18. There are moderate & smooth company political tensions across various functional units under the organization.	35	1	5	119	3.40	1.143
Q19. Cross functional employees and teams share a common perspective and goal.	35	2	5	126	3.60	0.812
Q20. There is easy mobilization of resources & projects coordination across various functional units of the organization.	35	2	5	123	3.51	0.742
Q21. There is consistent and predictable approaches & practices of doing business in various structures of the organization.	35	2	5	128	3.66	0.725
Valid N (listwise)	35				3.69	0.844

Source: Own SPSS survey on 2021

4.4.3. Descriptive Analysis on Adaptability Cultural Traits

This cultural trait of adaptability was incorporated with three subcategories for the purpose of understanding respondent's perception mainly change creating, customer orientation and organizational learning. The summary of the respondent's perception about those cultural traits and its impact on business performance based up on the feedbacks given from the respondents presented on the below tables. As presented on the below table most of the respondents considered those three adaptability cultural sub elements are very relevant considering its weighted average mean vale of 4.02 with its respective SD value of 0.881.

Table 4.5. Descriptive Analysis on Adaptability Cultural Traits

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Q22. New ideas that drive effective & efficient ways of working continually promoted.	35	2	5	147	4.20	0.797
Q23. The company promotes collaboration, partnering and teamwork.	35	2	5	147	4.20	0.759
Q24. Your company actively responding to the other competitor multi-national actions and other changes in the business environment.	35	1	5	139	3.97	1.175
Q25. There are teams of functional change agents, champions & cheerleaders across functional units.	35	2	5	146	4.17	0.822
Q26. Company rewards creativity, encourage risk taking and creating a learning environment.	35	3	5	149	4.26	0.701
Q27. Company continually embrace & celebrate change.	35	2	5	146	4.29	0.970
Q28. There is a consistent process listening the voices of customers with prompt responsiveness rate.	35	1	5	127	3.63	1.060
Q29. There are empowered employees or teams that can professionally handle customer complaints promptly.	35	2	5	124	3.65	0.981
Q30. Customer feedbacks directly influences the company decisions at different level.	35	2	5	130	3.71	0.957
Q31. The company innovation starts with the consideration of customers feedbacks and insight.	35	2	5	161	4.60	0.775
Q32. The company has a tolerance room for mistakes and promotes risk taking behaviors.	35	1	5	124	3.54	0.852
Q33. Company aggressively looking for best practices & facilitate continuous learnings.	35	2	5	141	4.03	0.707
Q34. The company create a resilient environment where failures considered as an opportunity for learning and a stepping ground for improvement.	35	2	5	136	3.89	0.796
Q35. The company considers talent development a key strategic priority for the business.	35	2	5	143	4.09	0.981
Valid N (listwise)	35				4.02	0.881

Source: Own SPSS survey on 2021

4.4.4. Descriptive Analysis on Mission Cultural Traits

This cultural trait of mission was incorporated with three subcategories for the purpose of understanding respondent's perception mainly strategic direction and intent, goals & objectives and vision. The mission cultural elements have a weighted average mean value of 3.73 with its respective SD value of 0.917 that implied that most of the respondents found those mission subcultural elements relevant.

Table 4.6. Descriptive Analysis on Mission Cultural Traits

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Q36. The company has a clear mission that gives purpose, meaning and direction for employees to execute their responsibilities.	35	2	5	140	4.00	0.767
Q37. Employees participate and involve on strategic issues.	35	2	5	121	3.46	1.010
Q38. The company has a continuous system of developing & revising of its short term, medium term & long-term strategic plans.	35	2	5	136	3.89	0.832
Q39. The company sets a SMART goals and objectives.	35	1	5	133	3.80	0.964
Q40. The company creates a strong & continuous awareness towards employees on the goals & objectives.	35	2	5	132	3.77	0.877
Q41. There is companywide agreement and alignment about the goals and objectives of the company.	35	2	5	131	3.74	0.780
Q42. Employees have a shared vision on the future position of the company.	35	2	5	128	3.66	0.998
Q43. There is a clear & sharp employees' imagination on the long-term strategic plans & direction of the company.	35	2	5	124	3.54	1.094
Q44. The company vision build up on the core organizational competencies of the business.	35	2	5	129	3.69	0.932
Q45. Employees & leaders are inspired & motivated by the vision of the company.	35	2	5	132	3.77	0.910
Valid N (listwise)	35				3.73	0.917

Source: Own SPSS survey on 2021

4.4.5. Descriptive Analysis on Organization Performance

The organizational performance dependent variable has a weighted average mean of 3.93 with its respective standard variation of 1.041 that indicated that most of the respondents agreed that their respective companies has a positive financial and non-financial performances. In relative terms, those multi-national companies have a great deal of focus on customer satisfaction and ensuring product quality. In comparison, Coca Cola Beverage Ethiopia and BGI Ethiopia has a relatively better performance in both the financial and non-financial indicators. Meanwhile, Diageo Meta has a least performance in both the financial and non-financial indicators.

Table 4.7. Descriptive Analysis Organisation Performance

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Q1. The company has an incremental and sustainable net profit.	35	1	5	132	3.77	1.330
Q2. The company has a positive sales growth.	35	1	5	138	3.94	1.235
Q3. The company has an efficient cost of goods sold trend.	35	2	5	138	3.94	0.906
Q4. The company has healthy operating cash flow.	35	2	5	136	3.89	0.993
Q5. The company has an incremental and sustainable return on investment.	35	1	5	131	3.74	1.245
Q6. The company has an incremental market share trend.	35	1	5	135	3.86	1.240
Q7. The company has a great focus on innovation of brands and working systems.	35	2	5	137	3.91	0.742
Q8. The company has a great customer satisfaction score.	35	2	5	141	4.03	0.923
Q9. The company has a great focus on product quality.	35	2	5	150	4.29	0.750
Valid N (listwise)	35				3.93	1.041

Source: Own SPSS survey on 2021

Table 4.8. Comparison of Organizational Performance

Companies	Weighted Average	
	Financial Performance	Non-Financial Performance
Diageo Meta Brewery	2.03	2.68
BGI Ethiopia	4.54	4.46
Hieneken Ethiopia	4.43	4.36
Coca Cola Beverage Ethiopia	4.77	4.79
Habesha Breweries	3.51	3.82

Source: Own SPSS survey on 2021

4.5. Relationship Between Organizational Culture and Business Performance

4.5.1. Pearson Correlation Coefficient Analysis

It was recalled that one of the objectives of this research is to determine the relationship between the organizational culture and business performance in MNCs here in Ethiopia. In order to do that the researcher applied a Pearson correlation coefficient to determine the relationship between the explanatory (dependent variables) mainly involvement, consistency, adaptability and mission towards the performance of those MNCs and its result summarized on the below table. Pearson correlation coefficients applied to find out the level of relationship between the dependent and independent variables and its value ranged from -1 to 1. A value of 1 indicated that there is a positive and strong relationship, a value of -1 indicated there is a strong negative relationship and a value of zero indicated that there is no relationship at all.

Table 4.9. Pearson Correlation Coefficient Analysis Summary

		PERFORMANCE
PERFORMANCE	Pearson Correlation	1
	Sig. (2-tailed)	
	N	
INVOLVEMENT	Pearson Correlation	0.426
	Sig. (2-tailed)	0.005
	N	35
CONSISTENCY	Pearson Correlation	-0.249
	Sig. (2-tailed)	0.075
	N	35
ADAPTABILITY	Pearson Correlation	0.313
	Sig. (2-tailed)	0.034
	N	35
MISSION	Pearson Correlation	0.484
	Sig. (2-tailed)	0.002
	N	35

** . Correlation is significant at the 0.05 level (2-tailed).

Source: Own SPSS survey on 2021

Based up on the above analysis, all the cultural traits have a moderate relationship with both the financial and non-financial performance of those MNCs with the exception of consistency. Mission cultural trait has relatively a strong positive relationship with a Pearson correlation coefficient value of 0.484, followed by involvement/participating cultural traits with a Pearson correlation coefficient vale of 0.426 and adaptability has a Pearson correlation coefficient value of 0.313 which placed it in the third position in terms of its magnitude in relationship. This implied that an increased focus of strengthening of those mission, involvement and adaptability cultures under those MNCs will significantly impacted both the financial and non-financial performance indicators. However, consistency cultural trait has a Pearson correlation coefficient

value of -0.249 which indicated that there is a moderate negative relationship between this cultural trait and organizational performance under the MNC environment. Even though the consistency cultures have a negative relationship with organizational performance on those MNCs considering the short-term organizational performance priorities that are incorporated as dependent variables in this research, it will have a positive impact on the long-term strategic performance targets.

4.5.2. Multiple Regression Analysis on the Impacts of Organizational Culture on Business Performance

Among statistical methods, multiple regression analysis has been the most commonly applied tool for assessing the relationship between dependent variables and independent variables (Moore, 1993). This research applied a multiple regression analysis to determine the relationship between the independent variables of cultural traits mainly involvement, consistency, adaptability and mission on organizational performance of those MNCs. The coefficient of regression (R^2) measures the proportion of the dependent variable i.e organizational performance in its financial and non-financial perspectives that can be explained by the above mentioned four independent variables of organization cultural traits.

4.5.2.1. Multiple Regression Model Summary

Table 4.10. Multiple Regression Model Summary

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	Change	df1	df2	Sig. F Change	
1	.581 ^a	0.337	0.249	0.79535	0.337	3.819	4	30	0.013	0.807

a. Predictors: (Constant), MISSION, CONSISTENCY, ADAPTABILITY, INVOLVEMENT

b. Dependent Variable: PERFORMANCE

Source: Own SPSS survey on 2021

As clearly indicated on the above table of model summary, the coefficient of determination that is represented by adjusted R Square, has a computed value of 0.249 (24.9%). That implies that 24.9% of the variation of performance can be explained by the independent variables Mission,

Involvement, Adaptability, and Consistency. Furthermore, the four organization cultural traits have only 24.9% impact on both the financial and non-financial performance indicators. The remaining 75.1% of the variation on performance can be explained by other variables.

4.5.2.2. ANOVA Analysis

The below ANOVA table summary demonstrated that the Sig. Value 0.05 is greater than the calculated value 0.013. It reflects there was a statistically significant correlation between dependent variable and independent variable at 5% significant level.

Table 4.11. ANOVA Summary

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.663	4	2.416	3.819	.013 ^b
	Residual	18.978	30	0.633		
	Total	28.641	34			

a. Dependent Variable: PERFORMANCE
b. Predictors: (Constant), MISSION, CONSISTENCY, ADAPTABILITY, INVOLVEMENT

Source: Own SPSS survey on 2021

4.5.2.3. Régression Coefficient Analysis

Table 4.12. Régression Coefficient Analysis Table

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	11.740	4.952		2.370	0.024	1.625	21.854
	INVOLVEMENT	0.245	0.412	0.171	0.594	0.557	-0.597	1.087
	CONSISTENCY	-2.669	1.304	-0.307	-2.046	0.050	-5.332	-0.005
	ADAPTABILITY	-0.319	0.379	-0.203	-0.840	0.407	-1.094	0.456
	MISSION	0.672	0.360	0.521	1.868	0.072	-0.063	1.408

Source: Own SPSS survey on 2021

Based up on the above table, mission cultural trait has a positive influence on organizational performance, but it is not statistically significant ($\beta = 0.672$, $t = 1.868$, $p > .05$). Similarly, involvement cultural trait has a positive impact on organizational performance but not statistically significant ($\beta = 0.245$, $t = 0.594$, $p > .05$). In contrast both consistency and adaptability have a negative influence on organizational performance, and both are not statistically significant with a Beta value of (-2.669 & -0.319) and t-value of (-0.307 & -0.203, $p > .05$).

The values for the regression weights are summarized in the below model function.

$$Y = 0.245 IN - 2.699 CON - 0.319AD + 0.672MI + 11.74$$

Y - Performance Management

IN - Involvement

CON - Consistency

AD - Adaptability

MI - Mission

Involvement: There is a positive relationship between involvement cultural traits and organizational performance under those MNCs.

Consistency: There is a negative relationship between consistency cultural traits and organizational performance under those MNCs.

Adaptability: There is a negative relationship between adaptability cultural traits and organizational performance under those MNCs.

Mission: There is a positive relationship between mission cultural traits and organizational performance under those MNCs.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents the summary of the research findings and revealed the final results of the study conducted. Moreover, based on the key findings and results, conclusions are drawn with the respective researcher recommendation. The recommendations include potential interventions in order to properly understand the key cultural elements that has significant implication on both financial and non-financial performances under the MNC's environment here in Ethiopia.

5.1. Summary of Major Findings

On this part the researcher presents the summary of major findings of the study that outlined as follows.

- The researcher found a full-scale response rate from its target population with zero level of non-responsiveness rate that helped for valid data analysis.
- 66% of the senior leadership respondent were found between 31 to 40 years age category that indicated that those Multi-national companies are operating with young, energetic and vibrant leaders.
- Still the research revealed that the percentage of women on senior leadership roles is at its lowest rate in those MNC's environment also just like the trend in the country and developing world.
- 80% of the respondents who are serving as a senior leadership member on those MNC's holds MA/MSc which is showing that those respondents are continuously working towards improving of their level of education.
- The involvement cultural trait has a mean value of 3.76 that indicated that most of the respondents agreed on the relevance of this cultural trait under their organization. Comparatively, most of the respondents strongly agreed that their companies widely share information for its respective employees (with a mean value of 4) and the respondents has less agreement on the existence of proper way of conflict resolution (with a mean value of 3.34).

- The consistency cultural trait has a mean value of 3.69 that indicated that most of the respondents agreed on the relevance of this cultural trait under their organization. Comparatively, most of the respondents strongly agreed that there is a clear code of conduct that govern the way their respective companies doing business (with a mean value of 4.14) and the respondents has less agreement on the existence of moderate political tensions across various functions under those MNCs (with a mean value of 3.4).
- The adaptability cultural trait has a mean value of 4.02 that indicated that most of the respondents strongly agreed on the relevance of this cultural trait under their organization. Comparatively, most of the respondents strongly agreed that their respective companies innovation initiatives started with the consideration of customers & consumers insights (with a mean value of 4.6) and the respondents has less agreement on the existence of tolerance room for mistakes that promote risk taking behaviors under those MNCs (with a mean value of 3.54).
- The mission cultural trait has a mean value of 3.73 that indicated that most of the respondents agreed on the relevance of this cultural trait under their organization. Comparatively, most of the respondents strongly agreed that their respective companies has a clear mission that gives purpose, meaning and direction to employees to execute their responsibilities (with a mean value of 4) and the respondents has less agreement on the involvement and participation of employees on strategic issues under those MNCs (with a mean value of 3.46).
- The respondents agreed that their respective companies have a good performance both in the financial and non-financial aspects of it with a mean value of 3.93. Comparatively, the respondents strongly agreed that non-financial performance (with mean value of 4.02) on those MNCs outweighs their respective financial performances (with mean value of 3.86). Furthermore, Coca Cola Beverage Ethiopia and BGI Ethiopia has a top ranking on both financial and non-financial organizational performance measures followed by Heineken Ethiopia, Habesha breweries and Diageo Meta.
- Based up on the correlation analysis matrix, all the cultural traits have a moderate relationship with both the financial and non-financial performance of those MNCs with the exception of consistency. Mission cultural trait has relatively better positive relationship with a Pearson correlation coefficient value of 0.484, followed by

involvement/participating cultural traits (0.426) and adaptability (0.313) which placed it in the third position in terms of its magnitude in relationship. However, consistency cultural trait (-0.249) which indicated that there is a moderate negative relationship between this cultural trait and organizational performance under the MNC environment.

- Based up on the multiple regression analysis conducted the coefficient of determination that is represented by adjusted R Square, has a computed value of 0.249 (24.9%). That implies that 24.9% of the variation of performance can be explained by the independent variables Mission, Involvement, Adaptability, and Consistency. The remaining 75.1% of the variation on performance can be explained by other variables that were not considered in the scope of this research.
- The ANOVA analysis demonstrated that the Sig. Value 0.05 is greater than the calculated value 0.013. It reflects there was a statistically significant correlation between dependent variable and independent variable at 5% significant level.
- Based up on the regression analysis conducted on coefficients, both mission and involvement cultural trait has a positive influence on organizational performance, but both are not statistically significant with a beta & t-values of ($\beta = 0.672$, $t = 1.868$, $p > .05$) and ($\beta = 0.245$, $t = 0.594$, $p > .05$) respectively. In contrast both consistency and adaptability have a negative influence on organizational performance, and both are not statistically significant with a Beta value of (-2.669 & -0.319) and t-value of (-0.307 & -0.203, $p > .05$).

5.2. Conclusion

This research conducted using Denison theoretical frames and model developed by him which demonstrated the impacts of organizational culture on business performance as its base to test the feasibility of the study on the MNC's environment here in Ethiopia by setting quite a few list of relevant objectives. Based up on the above summarized findings, it is revealed that most of the respondents agreed that all the four organization cultural traits mainly involvement, consistency, adaptability and mission are relevant (with a weighted average mean value of 3.8) under the context of their respective companies even though the magnitude of each varies from company to company. In addition to that all the companies that are scoped under this research have a good position of organizational performance but their respective non-financial performance outweighs their financial performances. Comparatively Coca Cola Beverage Ethiopia and BGI Ethiopia hold the top-ranking position in terms of their organizational performance aggregately in both financial and non-financial performance measures followed by Heineken Ethiopia, Habesha breweries & Diageo Meta respectively. The correlation analysis matrix conducted revealed that all the four organization cultural traits with the exception of consistency mainly involvement, adaptability and mission have a moderate positive relationship with organizational performance under those MNCs.

The multiple regression analysis conducted revealed that 24.9% of the variation of organizational performance can be explained by the independent variables mission, involvement, adaptability, and consistency and the remaining 75.1% of the variation on performance can be explained by other variables that were not considered in the scope of this research. This might happen potentially because of the small scale of the sample and might be improved through scaling up of the sample population on future researches. In addition to that, the ANNOVA analysis revealed that both the dependent and independent variables are statistically significant know that the significant value is greater than the computed significant value at 5% significance level. The regression analysis conducted on coefficients, both mission and involvement cultural trait has a positive influence on organizational performance, but both are not statistically significant. In

contrast both consistency and adaptability have a negative influence on organizational performance, and both are not statistically significant.

5.3. Recommendation

Based up on the findings of this research, building a good organizational culture is a critical footprint that can potentially determine the success of an organization and has various significant positive implication on both the financial and non-financial performances of those multi-national companies. As a result of that all the MNC's that are operating in Ethiopia should put quite a valuable time on developing and well establishing of an organization culture that brings a real value to the business towards both the internal and external stakeholders of the business. Apparently, this research come up with the below recommendation for the MNC's that are operating here in Ethiopia that are believed to be relevant for establishing of a better organizational cultures that directly impact business performance based up on the findings of this study.

- The level of relevance of the four cultural traits and organizational performance measures varies from company to company under the MNCs environment even under the same industry. Thus, companies need to set an appropriate timeline when to review the feasibility of their existing cultural traits and need to adjust their respective companies' cultural setups accordingly to best fit their performance ambitions.
- Knowing that the independent variables only explained 24.9% of the organizational performance variations and still there is 75.1% of unexplained organizational performance impact, the researcher recommend a further detailed study to be conducted on future by other researchers or those MNCs to exactly determine the other potential independent variables that accounts to this big unexplained piece on this research. Inline with that scaling up of the sample population using future studies on the same topic will potentially provide a result that has a better and detailed relationship implication with great level of significance.

Reference

- Cameron, K. & Quinn, R. (2011). Diagnosing and changing organizational culture: based on the competing values framework. 3rd Edition. USA: Wiley John.
- Denison, D. (1984). Bringing Corporate Culture to the Bottom Line. *Organizational Dynamics*, 13(2)4-22. DOI: 10.1016/0090-2616(84)90015-9
- Denison, D. (1991). *Cultura corporativa y productividad organizacional*. Bogotá, Colombia: Legis Editores.
- Denison, D., Janovics, J., y Young, J. (2005). *Diagnosing Organizational Cultures: Validating a Model and Method*. Working paper. New York: Denison Consulting Group.
- Denison, D., Nieminen, L., & Kotrba, L. (2014). Diagnosing organizational cultures: A conceptual and empirical review of culture effectiveness surveys. *European Journal of Work & Organizational Psychology*, 23(1), 145-161. DOI:10.1080/1359432X.2012.713173
- Denison, D.R. and Neale, W.S (2008). *Denison Organizational Culture Survey*. USA: Denison Consulting, LLC. Facilitator Guide
- Denison Consulting. (2005, April). *Overview of the Reliability and Validity of the Denison Organizational Culture Survey*. Ann Arbor, MI: Author.
- Hofstede, G., & Hofstede, G. (2005). *Cultures and Organizations, Software of the Mind*. United States: McGraw Hill.
- Ricardo, R., & Wade, D. (2001). *Corporate Performance Management: How to Build a Better Organization Through Measurement Driven Strategies Alignment*. Butterworth Heinemann.
- Rousseau, D.M. (1990), "Assessing Organizational Culture: The Case for Multiple Methods". Schneider, B. (ed), *Organizational Climate and Culture* Oxford: Tossoy-Bass.
- Schein, E.H. (2010). *Organizational Culture and Leadership*. San Francisco: Jossey-Bass A Wiley Imprint. 2010 by John Wiley & Sons, Inc. Schoonover, S.C M.D (2011). *Performance Management Best Practices*. Schoonover Associates, USA

Annex 1

Addis Ababa University School of Commerce

Questionnaire to be filled by Senior Managerial Members Under Multi-National Companies in Ethiopia

Target Respondents: To be completed by the senior managerial members who are working under the biggest multi-national companies that are operating in Ethiopia.

Purpose: The information gathered through this questionnaire can be used to evaluate the impacts of the organization cultural traits/dimensions (mainly mission, adaptability, consistency and participation) with that the business performance of the multi-national companies that are operating in Ethiopia for the research conducted for academic purpose for partial fulfilment of the requirements of the Master of Art Degree in Business Leadership. 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.

Confidentiality: Please note that the responses you are here provided are completely anonymous and confidential. In addition to that the outcome of the research and report will not include reference to any respondents. Finally, the researcher has sole ownership of completed questionnaires and the questionnaire will be destroyed once after the completion of the research.

Thank you in advance for your cooperation & putting your valuable time on this critical questionnaire.

Part I: General profile (Please put (√) mark in the box that best describes you)

1. Age 25 to 30 31 to 40 41 to 50 Above 50
2. Gender Male Female
3. Educational Qualification BA/BSC MA/MSC PHD
- Others

4. Years of Experience in Multi-national companies: Below 5 years

Between 5 to 10 years Between 11 to 15 years Above 16 years

5. Function of Profession: Marketing Finance Supply Chain

Human Resource Commercial Others

Part II: Organizational Culture of Multi-National Companies

Please indicate the tendency of your agreement/disagreement with the following statements associated with the four dimensions of organizational culture: Involvement, Consistency, Adaptability and Mission under the context of your company as part of the multi-national environment. Please put (√) on the alternative choice that best describes your view using the five-point Likert scale shown below.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided/Neutral	Agree	Strongly Agree

Dimensions of Organizational Culture & Its Relationship with Organizational Performance Under Multi-National Organizations in Ethiopia

I. INVOLVEMENT/PARTICIPATION					
Empowerment	1	2	3	4	5
Q1. In your multi-national company platform decisions are made at involving all critical stakeholders of the business.					
Q2. You company provides valuable resources that employees need to succeed & continuously put maximum efforts on removing of obstacles that hinder progress.					
Q3. Information is widely shared among employees based up on the level of their needs.					
Q4. There is good level of trust in your organization that is creating a space for employees’ freedom to succeed and autonomy.					
Team Orientation	1	2	3	4	5
Q5. There is an open communication platform across various function of the company.					
Q6. Diversity of capability highly promoted.					
Q7. There are proper ways & procedures of conflict resolution.					

Q8. Employees are committed to work for the same goal through collaboration & trust each other.					
Capability Development	1	2	3	4	5
Q9. There is a room for delegation of employees with appropriate authority vested on them.					
Q10. There is a continuous focus talent development and career succession plan on employees.					
Q11. The capabilities of employees are viewed as an important source of competitive advantage and asset to the company.					
II. CONSISTENCY					
Core Values	1	2	3	4	5
Q12. Employees has clarity on the company vision statement.					
Q13. Employees & leaders consistently preaching and acting as per the vision of the company.					
Q14. There is a clear and consistent code of conduct that govern the way organization does business.					
Agreement	1	2	3	4	5
Q15. There is a win-win approach followed while settling disputes among individual employees.					
Q16. There is a clear alignment among employees regarding what is the right and wrong code of conduct.					
Q17. It is easy to reach consensus even conflicting issues arise with low level of hard feeling on the minds of employees.					
Q18. There are moderate & smooth company political tensions across various functional units under the organization.					
Coordination and Integration	1	2	3	4	5
Q19. Cross functional employees and teams share a common perspective and goal.					
Q20. There is easy mobilization of resources & projects coordination across various functional units of the organization.					
Q21. There is consistent and predictable approaches & practices of doing business in various structures of the organization.					
III. ADAPTABILITY					
Creating Change	1	2	3	4	5
Q22. New ideas that drive effective & efficient ways of working continually promoted.					
Q23. The company promotes collaboration, partnering and teamwork.					
Q24. Your company actively responding to the other competitor multi-national actions and other changes in the business environment.					
Q25. There are teams of functional change agents, champions & cheerleaders across functional units.					
Q26. Company rewards creativity, encourage risk taking and creating a learning environment.					
Q27. Company continually embrace & celebrate change.					
Customer Orientation	1	2	3	4	5
Q28. There is a consistent process listening the voices of customers with prompt responsiveness rate.					
Q29. There are empowered employees or teams that can					

professionally handle customer complaints promptly.					
Q30. Customer feedbacks directly influences the company decisions at different level.					
Q31. The company innovation starts with the consideration of customers feedbacks and insight.					
Organizational Learning	1	2	3	4	5
Q32. The company has a tolerance room for mistakes and promotes risk taking behaviors.					
Q33. Company aggressively looking for best practices & facilitate continuous learnings.					
Q34. The company create a resilient environment where failures considered as an opportunity for learning and a stepping ground for improvement.					
Q35. The company considers talent development a key strategic priority for the business.					
IV. MISSION					
Strategic Direction and Intent	1	2	3	4	5
Q36. The company has a clear mission that gives purpose, meaning and direction for employees to execute their responsibilities.					
Q37. Employees participate and involve on strategic issues.					
Q38. The company has a continuous system of developing & revising of its short term, medium term & long-term strategic plans.					
Goals and Objectives	1	2	3	4	5
Q39. The company sets a SMART goals and objectives.					
Q40. The company creates a strong & continuous awareness towards employees on the goals & objectives.					
Q41. There is companywide agreement and alignment about the goals and objectives of the company.					
Vision	1	2	3	4	5
Q42. Employees have a shared vision on the future position of the company.					
Q43. There is a clear & sharp employees' imagination on the long-term strategic plans & direction of the company.					
Q44. The company vision build up on the core organizational competencies of the business.					
Q45. Employees & leaders are inspired & motivated by the vision of the company.					

Part III: Organizational Performance of Multi-National Companies Using Both Financial and Non-Financial Performance Measures

Please indicate the tendency of your agreement/disagreement with the following statements associated with the performance under the context of your company as part of the multi-national environment. Please put (√) on the alternative choice that best describes your view using the five-point Likert scale shown below.

Performance Measures					
Financial Performance	1	2	3	4	5
Q1. The company has an incremental and sustainable net profit.					
Q2. The company has a positive sales growth.					
Q2. The company has an efficient cost of goods sold trend.					
Q3. The company has healthy operating cash flow.					
Q4. The company has an incremental and sustainable return on investment.					
Non-Financial Performance	1	2	3	4	5
Q6. The company has an incremental market share trend.					
Q7. The company has a great focus on innovation of brands and working systems.					
Q8. The company has a great customer satisfaction score.					
Q9. The company has a great focus on product quality.					