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The effect of learning organization culture on employee performance: The case of commercial bank of Ethiopia.

A Thesis proposal Submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirements for the Master of Art in Business Administration (MBA)

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Addis Ababa, Ethiopia

Declaration

I, Kirubel Abate Getahun, affirm that this thesis titled **"The Effect of learning organization culture on employee performance: The case of commercial bank of Ethiopia"** is my original work. It is submitted as part of the requirements for the Degree of master of business administration. Yohannes Workaferahu, Ph.D., supervised the thesis completion.

I reaffirm that this work has not been submitted in whole or in part for any degree or diploma program at this or any other institution. I have acknowledged all sources of materials used in the thesis.

Declared By: **Kirubel Abate**

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Signature _____

Date 26/Feb/2026

CERTIFICATION

This postgraduate thesis entitled **"The Effect of learning organization culture on employee performance: The case of commercial bank of Ethiopia"** is submitted as part of the Master's Degree in business administration by the University's regulations and standards of authenticity and reliability.

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Abstract

This study examined the effects of learning organization culture on employee performance with a case study of the commercial bank of Ethiopia. It employed the dimensions of the learning organization questionnaire (DLOQ) to assess the learning practices of the organization and also see into the nature of the relationship the dimensions of the learning organization which are continuous learning, inquire and dialogue, team learning, empowerment, systems connection, embedded systems and providing leadership for learning have with individual employee's performance. The study employed ***e****xplanatory research design based on a data collected through survey questionnaires and disproportionate stratified random sampling was used to acquire a sample of 297 respondents. A PLS-SEM (partial least squares structural equation modeling) is used to create a path model with all the seven dimensions included as predictors of the dependent variable. The measurement model reliability and validity was checked on both the indicator and construct level and then the path coefficients of the inner model are used to measure the significance and relevance of the predicting variables. The descriptive statistics results from the dimensions of the learning organization questionnaire indicates a strong presence of the dimensions in CBE (commercial bank of Ethiopia) and CBE according to the study findings is considered a learning organization. Further the empirical findings also resulted in all the learning organization dimensions except empowering toward a shard vision becoming statistically significant with inquiry and dialogue brought up as the strongest enabler to employee performance. The learning organization dimensions are analyzed from the Ethiopian context and the research findings convey an important insight to researchers and also practitioners who wish to study and create the learning organization.*

Key words: CBE, learning organization culture, dimensions of the learning organization, Individual employee performance

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1 CHAPTER ONE

1.1 Introduction

This chapter aims to give a background to the study area which is then followed by the Statement of the problem, objectives of the study, the research hypothesis, significance of the study, scope of the study and lastly limitations of the study.

1.2 Background of the study.

The beginnings of the 90's mark the introduction of the learning organization concepts and it was authors and organizational management system designers like Robert Garratt and Peter Senge that surfaced the idea and become pioneers in contributing to the celebration of the learning organization as the new vision for organizations in a world of interdependence and change (Moraga, 2006).

Yang, Watkins & Marsick (2004) considered organizations as organic entities like humans capable of learning and are convinced that organization's learning capacity is the only sustainable competitive advantage for the future. Studies reflect that competitive advantages are no longer found in the physical assets or sheer scale that an organization owns but in an organization's ability to learn and act on its collective intelligence (CBE, 2025b). Gardiner, Leat & Smith, (2001) expounded the complementary role that learning organization strategy and HRD (human resource development) play to bring learning into focus as a central activity in organizations to provide a common solution to multifarious organizational challenges.

> According to Senge (cited on Smith, 2009), learning organizations are organizations where people continually expand their capacity to create the results, they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.

There are numbers of learning organization models that are detailed under different theoretical perspectives but are witnessed to converge around a common set of core principles such as continuous learning for individuals, team learning and system level learning (Senge,1990); Marsick and Watkins (2003);Goh,(1998).

The learning organization strategy has gained prominence in literature and continues to receive increasing attention in various management fields and in parallel the associated complex disciplines and lack of dispositions and theoretical tools to follow into practice has raised questions and critiques claiming it to be quixotic (Smith, 2009).

One question of interest regarding the learning organization is the effect it can have on performance outcomes of individuals. Individual's performance is a central aspect of today's

organizational endeavors and work psychology because the individual is the job incumbent and researchers have focused on identifying its constructs for proper measurement and improvement (Torraco, 2008);(Viswesvaran & Ones, 2000). According to Motowidlo & Kell (2012) employee performance is defined as the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time and yet performance improvement is taught to only manifest through outputs or results and that measurement of outputs allows for performance assessment (Bates, cited on Torraco, 2008), the gauges from which performance can be evaluated are perspectives like strategic objectives, customer satisfaction, and contributions to economic results and it is regarded that the dynamic nature of performance improvement provide mechanisms for empirical enquire into its determinants, dynamics and consequences (Torraco, 2008).

Though the learning organization practice in its relationship with organizational performance has been studied frequently, its effects on employee performance focusing on individuals work achievement are given limited attention.

The Ethiopian banking industry is experiencing increasing competitive pressure which is expected to surge due to regulatory reforms and market oriented financial environments being created in the country and commercial bank of Ethiopia (CBE) relies on its employee's commitment and operational efficiency to maintain its leading position.

CBE is not exempt from experiences and actions that organizations around the globe face because of loss to the stable state that alarms them to reorient strategies towards learning (Schon, cited on Schwartz & Rist, 2016) and given the fact that it has implemented practices and attributes that resembles and signifies an appreciation towards the learning organization disciplines it is the ambition of this research to examine the effects of adopting learning organization disciplines on employee performance from the commercial bank of Ethiopia perspective and also report on the learning practices of the organization.

1.3 Background of the organization

Commercial bank of Ethiopia which is the leading bank in the Ethiopian banking industry with its establishment dating back to the year 1942 E.C. has around 1940 branches across the country and the total workforce of the organization is 81,980 with the 48,729 being permanent employees of the bank making it the lead employer in the nation (CBE annual report 23/24). In 2023/24, CBE held 16% of branches, 47% of deposit, 46% of assets, 52% of loan, 27% of capital, and 37% of profit before tax from the total banking industry of Ethiopia (CBE, 2025a).

The bank is well known for its accessibility, extending bank services even in remote areas of the country with comprehensive range of product offers tailored to individuals, businesses and institutions. It is also a strategic tool of the government in the country's economic development because of its financing activities to government projects and infrastructure.

It has significantly invested in modern banking technologies like mobile and internet banking, which eases access to banking services for customers and has resulted in reduction of costs associated with the traditional branch banking. The bank has utilized convenient technological communication means to reach out to all employees on the job, hold meetings and training online, provides substantial budget for training and development of its staff and facilitates learning formally at universities and through digital libraries and internal portal.

Vision of CBE

"To become a world-class commercial bank financially driving Ethiopia's future".

Mission of CBE

"We are committed to realizing stakeholders' values through enhanced financial intermediation globally, deploying highly motivated and skilled employees".

Values of CBE

- Integrity
- Service excellence
- Professionalism
- Empowerment
- Innovative organization
- Team work
- Respect for diversity
- Corporate citizenship

Source: CBE annual report 2024-25

1.4 Statement of the problem

Employees are considered dynamic agents that interact with and act upon organizational systems and structures to obtain a sustainable competitive advantage in the ever-changing business environment and their performances is directly tied with organizational outcomes and therefore are major concerns of organizational psychology (Torraco, 2008) . Individuals are also provided with paramount position in the participatory role as workers in the learning organization as far as to the assumption that no organization learning occurs without individuals learning and models of the learning organization calling for individual's transformation as the basis (Senge 1990, cited on Smith, 2009). People in the learning organization are assumed to be better predisposed to knowledge, skill and context to have clearer vision and goal both in their personal professional career and to their organizational commitment (Moraga, 2006) and yet it is also considered that learning and performance improvement are independent constructs and without evidence that increased learning for individuals leads to performance improvement (Torraco, 2008).

The search for true antecedents of employee performance is a perennial pursuit in both research and practice and the learning organization culture that is characterized by the seven dimensions of the learning organization (Marsick and Watkins, 2003) is widely perceived as an ideal solution to multifarious organizational issues including employee performance.

The banking sector in Ethiopia is experiencing increasing competition, technological advancement, regulatory changes, and rising customer expectations and these developments require banks to embark on improving their internal capabilities and enhance employee performance to sustain competitiveness and service quality. Commercial bank of Ethiopia is the largest among commercial banks in the Ethiopian banking sector and is relying heavily on the effectiveness and performance of its employees to face future challenges and maintain its leading position. Therefore empirical evidences that contributes to informed decision making regarding organizational learning practices and employee performance enhancement strategies is required to guide the organization continued development. Although numerous international studies have expounded the learning organization, empirical evidence within the Ethiopian banking sector remains limited and therefore this study has taken the ambition to enquire into the effects of the dimensions of the learning organization dimensions on employee performance.

1.5 Objectives of the study.

1.5.1 General objective

The study has two objectives which are the general and specific objectives. The general objective of the research is to examine the effects of learning organization culture on employee performance at the Commercial Bank of Ethiopia.

1.5.2 Specific objective

Sprouting from the above general objective the study has the following specific objectives.

1. To assess on the level of learning organization practices of the commercial bank of Ethiopia.
2. To examine the relationship between learning organization dimensions and employee performance at CBE.

1.6 Research Hypotheses.

This study aims to examine into the following hypotheses.

Ho1: Continuous learning has no positive and significant influence on employee performance.

Ho2: Enquiry and dialogue has no positive and significant influence on employee performance.

Ho3: Team learning has no positive and significant influence on employee performance.

Ho4: Presence of embedded systems has no positive and significant influence on employee performance.

Ho5: Empowerment towards a Shared vision has no positive and significant influence on employee performance

Ho6: Connecting the organization to its environment has no positive and significant influence on employee performance.

Ho7: Strategic leadership for learning has no positive and significant influence on employee performance.

1.7 Significance of the research

This study is primarily aimed at adding insight into the existing literature on the learning organization concepts by investigating the effects that the learning organization dimensions have on individual employee's job performance. The learning organization concept lacks empirical evidence, and this knowledge gap hinders its contributions to the development of effective human resource and organizational development strategies.

Commercial bank of Ethiopia could also refer into the findings of this research to better align its practices and investments to implement the learning organizations discipline to be able to manage changes in the environment effectively and to build a reputation in the Ethiopian financial market and the broad environment in general becoming preferred employer with distinguished employees molded through the learning culture.

Due to the role of the bank as the lead employer in the country, I believe it also holds a strategic responsibility in setting organizational standards and practices across the national banking sector as well as other state owned enterprises in the country and therefore examining the effects of learning organization culture on its employees performance can stimulate systemic changes across different industries in the country.

1.8 Scope of the study

The scope of this study is conceptually focused on the relationship between the learning organization culture and individual employee performance. Specifically it tries to investigate the direct effects of the seven dimensions of the learning organization that characterize the learning culture in an organization on individual employee performance. The study is confined organizationally to the commercial bank of Ethiopia and geographically to branches and employees found within kirkos district in Addis Ababa. Quantitative research approach was employed to preserve the use of the research instruments the study adopted.

1.9 Limitations of the study

The research is geographically confined to kirkos district of the commercial bank of Ethiopia and so limits the generalizability of the results to indicate the practices in other regions and districts of the bank and also the study used self-administered questionnaires to capture employee's perception which might induce bias in employee's ratings of their organization and their own

performance. The research being cross-sectional in design is another limitation of this study as it fails to effectively capture effects of current learning practices and does not optimally fit for the dynamic nature of learning.

1.10 Organization of the study

The study is organized into five chapters. The first chapter presents the introduction to the study and includes background of the study and the organization, the study objectives, research hypotheses and lastly scope and limitations of the research. Chapter 2 delineates relevant literatures focusing on the learning organization development and its frameworks and also on the dimensions of employee performance. Chapter 3 explores the study's methodology, discussing data sources and model specification. In Chapter 4, the outcomes of the data analysis are presented using descriptive and inferential statistics. Finally, Chapter 5 summarizes the study's findings, draws conclusions based on the results, and provides recommendations for future studies on the topic.

2 CHAPTER TWO

2.1 LITERATURE REVIEW

2.1.1 Introduction

This literature review chapter provides discussion on the theoretical framework and empirical findings related to the research focus which are the learning organization and employee performance from which the research hypothesis are drawn.

2.1.2 Theoretical reviews

The theoretical background regarding the concept of learning organization is considered underpowered Smith,(2009) and there is no consensus on the definitions as to what is single heartedly meant by the learning organization. For this reason, there are multiple definitions of the learning organization. A comprehensive, relatively new and improved definition of the learning organization is by Doyle & Johnson,(2019) stating that a learning organization is “a leader orchestrated with a vision focused on the future of learning and intentionally building individual, team, and organizational capabilities by instituting a culture that embraces technology, diversity and develops talent to facilitate knowledge creation and management to meet customer needs in a rapidly changing and complex environment”.

Learning organizations as delineated by Sandra (1995) begins with the assumptions that learning is valuable, continuous and most effective when shared and that every experience is captured as an opportunity to learn. The earliest contributions to the learning organization concepts were provided by Donald Schon who perceived the experience of living in a situation of increased and continuous change contributing to the need for learning and he introduced the creation of institutions that are adept at learning to the point where they become a learning system themselves being able to understand, guide and influence their own continuing transformations

(Schon cited on Schwartz & Rist, 2016). In their criticism of the traditional rational agent model and development towards the behavioral theory of the firm Cyert and March (1963) also have found basis and opened doors to research on concept of organizational learning so it can also be understood that the behavioral theory of the firm was a pioneering work in its view of organizational changes as being a sequence of events driven by a set of learning processes (Gavetti et al., 2012).

Though used interchangeably often the difference in concept and practice between the learning organization and organizational learning should be clearly understood. Schwartz & Rist (2016) elucidated on how Organizations like individuals are engaged in learning from incidents and observation yet only organizations that deliberately sets systems and work to learn are called learning organizations they further explained that the learning organization should be considered as a form for organizations to aspire and organization learning as the process that might eventually yield in organizations attaining the ideal state of becoming a learning organization.

Learning organization as an organization culture

Learning organization is closely tied with organizational culture. The models and definitions of the learning organization by several authors such as Watkins and Marsick's 1993, 1996 is partially the reason that learning organization is conceptualized as something that can be evaluated from an organization's cultural stance Yang et al.,(2004), these authors view significant and transformative learning as less structured and informal. Learning organization is also defined by some as a group of people who woven a constant, enhanced ability to learn into the corporate culture Dawoood et al., (2015) and the learning organization is also described to be distinguished by the centrality of learning in the internal culture of the organization (Sugarman, cited on Mbassana, 2014). Further Moraga (2006) reflected that there are no step by step guides or rules to the practitioner other than the learning organization theories which makes the learning organization concepts to serve as only inspiring vision to organizations.

A considered breakthrough and foundation in learning organization theory was the work of Peter Senge , the fifth discipline: the art and practice of the learning organization. According to Senge learning organizations are organizations where people continually expand their capacity to create the results, they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together Senge, cited on Smith,(2009) and he identified five distinguishing disciplines to differentiate between traditional and learning organizations which are Systems thinking, Personal mastery, mental models, Building shared vision and Team learning.

Systems thinking

In every learning organization learning happens and is measured at three main levels which are the individual, group or function level and organization system level (Yang et al., 2004) and it is also evident to see that the disciplines of the learning organization proposed by Senge tends to affect more one then the other in the three levels at times and though each discipline is

interrelated and basic for organizations to become learning, systems thinking and system level learning are always given more emphasis.

A system is a perceived whole whose elements hang together because they continually affect each other over time and operate toward a common purpose (Senge, 2007, p. 111).

A.GEPHART et al.,(1996) noted the need for organizations to focus primarily on systems level learning and institutionalize people's intellectual capital for Individuals may leave and leadership be replaced and therefore organizations must preserve as core competencies the learnings of individuals to transfer to new members.

Systems thinking also highlights the necessity to value the long-term and collective consequences of decisions to different parts and constituents of an organization and for this reason delays and feedback loops for actions are considered vital and systems thinking is used in the model to connect and integrate the other disciplines to form a coherent body of the learning organization theory and practice (Senge as cited on Smith, 2009). Goh, (1998) stated that organizations' promoting the learning organization strategy tends to value long term results and it is a long term activity requiring a sustained effort that will eventually yield in a competitive advantage.

Personal mastery

The second discipline which is personal mastery tends to be directed more toward the individual and group level learning. Organizations don't learn but the people in them do, and these people are required to be enablers for the learning organization practice by having certain distinguishing characteristics and identity. Personal mastery according to Senge is the "discipline of continually clarifying and deepening of personal vision, focusing our energies, of developing patience and of seeing reality objectively " (Senge, as cited on Smith, 2009).

Learning according to Marsick & Watkins (2003) incur when people encounter incidents with surprises and challenges that demands action from them and they clarify that under such circumstances between the initial incident and action taken by the individual utilizing of ability, knowledge, experiences and contexts are layered in between to filter for the best option available and after decisions are passed out puts are to be carefully observed by individuals for learning to happen. Torraco,(2008) explained and linked individual learning through the theory of situated cognition where context is considered key to learning and experience serves amplifying role for new knowledge, he also explained that individuals lacking experience delve towards heuristics and abstract thinking to formulate a mental representation of what is being learned.

Mental models

Individuals are also provided with mental models or better said made more aware of it by Peter Senge. Mental models are "deeply ingrained assumptions, generalizations, or even pictures and

images that influence how we understand the world and how we take action" (Senge cited on Smith, 2009). The development towards working with mental models in an organization requires a culture of openness for sharing ideas without fear of consequences from internal politics to bring forth once own generalizations for scrutiny to learn and unlearn from colleagues while developing the capacity to commit to listening to others when they speak.

(A.Gephart et al., 1996), noted that in the learning organization employee's contribution to plans and problem solving are encouraged and therefore managers continuously solicit input from employees and different areas of the organization. Double-loop learning is thought to provide a solution to decision making inefficiency which can be caused by the creation of defensive and closedness behavior of people in response to unilateral control behavior of leaders which precipitate a reduction in the quality of learning taking place, In double loop learning people are encouraged to confront each other's views and the governing values and behavioral strategies employed should reduce the degree of defensiveness in individuals and their groups and similarly increasing free choice and feelings of commitment and most importantly errors and failures are communicated openly and learning from the feedbacks are given heed (Argyris and Schon, cited on Argyris, 1976).

Shared vision

Senge advocates the need to hold a shared picture of the future in an organization for employees to commit willingly and the vision of an organization to go beyond personal ambitions than simple vision statements to be dictated (Senge cited on Smith, 2009). The notion here is that to tap on employee's motivation and engagement it is needed to averse the counter productiveness of developing a vision to be dictated no matter how worthy felt and that employees need to grow into understanding and believing that they are part of the entity while owning the vision to speak about it from passion and see it progress all the way through until it becomes their collective reality.

Team learning

The fifth discipline in Senge's model is team learning. Teams have become essential component of every enterprise for decision making and getting things done and Senge (2007) considered teams as any group of people who need each other to accomplish an objective and team learning is defined as "the process of aligning and developing the capacities of a team to create the results its members truly desire" (Senge, as cited on Smith, 2009). Individuals are expected to work in teams, and their individual talents are to benefit their teams therefore the team learning discipline builds on personal mastery. It starts with personal mastery but continues to grow looking outward to develop knowledge of, and alignment with others on the team (Senge, 2007).

Torraco (2008) delved into the relationship between learning and performance improvement and listed factors that influence performance at the team or function level and noted learning to be one of the significant determinant.

Saliant feature of the learning organization theory and also among the main reasons for criticizing Senge's model was too many questions unanswered and lack of practical guidance for smooth implementation for practicing managers to develop a learning organization (Mbassana, 2014, Goh, 1998) and hence have opened doors for further investigation through research for a more relatable and practical framework for the constructs of the learning organization concept.

Goh, (1998) identified five strategic imperatives of the learning organization some of which are built on Senge's learning organization disciplines. He also adds that organizational designs and employee competencies are supporting foundations supplementing the five building blocks.

The first strategic imperative to build a learning organization is to have clarity and support for mission and vision, which is to mean that it is needed in the learning organization to have a clear mission that is understood and prevalently shared by employees so that they are motivated to act using their skill and knowledge for organizational priorities.

The next is shared leadership and involvement. The leadership style in the learning organization is taught to be nonhierarchical participative leadership where employees are valued to provide inputs to decision making and are encouraged to take calculated risks during demanding work situations, leaders are coaches and need to have the skill to facilitate change.

Third is culture that encourages experimentation. A culture of questioning the status quo and how things are done is essential for creating new knowledge and individuals and teams are required to improve processes and try new ideas were also systems in organizations to reward winning ideas are put in place.

Fourth is the ability to transfer knowledge across organizational boundaries. The emphasis here is that skills and learnings of individuals and teams need to be systematically organized to be applied and communicated with others in the working place. Organizational structures, culture and employee's behavior as well as outdated technological infrastructure are responsible for creation of knowledge silos and integration problems in knowledge management (CBE, 2025b).

The last imperative according to Goh, (1998) is Teamwork and cooperation. He noted the need to form teams in an effective way to bring forth their collective skill and knowledge to problem solving and developing innovative ideas and reaffirms that this strategic building block is key essential to the learning organization.

All models of the learning organization such as the above mentioned two, other than taking the initiative to describing the learning organization are criticized for lacking measuring instruments designed to help in assessing learning organization practices. Yang et al.,(2004) have pointed out that their work is the first instrument to measure the constructs of the learning organization with appropriate psychometric procedures. The instrument is developed based on Watkins and Marsick (1993, 1996) framework of the learning organization. They identified seven dimensions that are distinct yet interrelated and their model is commenced to provide clear and inclusive

constructs viewing the learning organization from organizational cultural perspective thus allowing for adequate measurement (Yang et al., 2004). The dimensions serve different utilities and are conceptually separate but are unified to operate under the overarching learning organization culture and they also address all the learning levels identified so far in the learning organization literatures. Dimensions here are used to term components that cannot be further subdivided into other components (Bollen cited in Yang et al.,2004). Watkins and Marsick (1993) define the learning organization as one that continuously learns and transforms itself and add an integrative perspective to the learning organization requiring the vision to be built on the people and structure of the organization (Yang et al., 2004).

The dimensions and their definitions taken from (Marsick & Watkins, 2003) are presented below in a table and accordingly this study hypothesizes that the dimensions does not have a positive and significant effect on employee performance.

Dimensions	Definitions
Create continuous learning opportunities	Learning is designed into work so that people learn on the job; opportunities are provided for ongoing education and growth.
Promote inquiry and dialogue	People gain productive reasoning skills to express their views and the capacity to listen and enquire into the views of others; the culture supports questioning, feedback and experimentation.
Encourage collaboration and team learning	Work is designed to use groups to access different modes of thinking; groups are expected to learn together and work together, collaboration is valued by the culture and rewarded.
Empower people towards a collective vision	People are involved in setting, owning, and implementing a joint vision; responsibility is distributed close to decision making so that people are motivated to learn toward what they are held accountable to do.
Establish systems to capture and share learning	Both high and low technology systems to share learning are created and integrated with work, access is provided and systems are maintained
Connect the organization to its environment	People are helped to see the effect of their work on the entire enterprise; people scan the environment and use information to adjust work practices; the organization is linked to its communities.

Provide strategic leadership for learning	Leaders model, champion and support learning; leadership uses learning strategically for business results.

Employee performance

Job performance is defined basically as the extent to which an employee contributes to assist in an organization achieving its goals (Campbell cited on Motowildo et al., 1997). Motowidlo & Kell, (2012) defined job performance as the expected value to an organization from its employee's behavior while on the job that contributes to a difference in organizational goal achievement. According to them what an employee does is the behavior exhibited, and the results are "the route through which an individual behavior helps or hinders an organization in reaching its objectives".

Based on the above definition of employee job performance, only factors in both the internal and external environments of an organization that affect the individual's behavior and not the results separately are considered as determinants of job performance and employee behavior that does not contribute or hinder organizational effectiveness are not to constitute in the performance domain.

Dimensions of employee performance

To categorize work behaviors as those contributing or detracting from organizational goals Borman and Motowidlo, cited on Motowidlo & Kell, (2012) separated between task and contextual performance of employees.

Task performance

Task performance consists of work activities that employees are assigned to and have direct relations with the organization actual work of producing goods or delivering services. These are the responsibilities of the work incumbent that are identified in the employee job description and are observed usually by the organization for reward or punishment measures. Task performance also includes supporting functions such as supply and distribution, marketing and staffing functions which are linked to and have a direct relation with production of goods and services through maintenance and servicing of technical requirements. A function is critical performance sub-system consisting of two or more individuals arranged for a common purpose whose work activity is not usually related to the external work system (Torraco, 2008).

Contextual performance

Contextual performance on the other hand is not observed through the organization core technical processes but is used to capture activities that are useful to maintain a conducting social

and psychological atmosphere which are essential for the technical core functions lean flow (Motowildo et al., 1997). They include activities such as helping and cooperating with others, following organizational rules and procedures even when inconvenient, endorsing, supporting and defending organizational objectives and volunteering to tasks that are not formally part of owns job.

In their theory of individual differences in task and contextual performance (Motowildo et al., 1997) concluded that the contributions of individuals behavior to the performance domain were directly impacted by relevant knowledge, skill and work habits.

Counterproductive behaviors

Organizationally deviant behaviors that have negative value for organizational effectiveness are also identified as separate dimensions of job performance (Viswesvaran & Ones, 2000). Organizational deviant behaviors are defined as "voluntary behavior that violates significant organizational norms and in doing so threatens the well-being of the organization, its members or both" (Robinson and Bennett cited on Viswesvaran & Ones, 2000).

It was noted that organizational deviant behaviors go along two continua which are organizational/interpersonal and serious /minor (Robinson and Bennett cited on Viswesvaran & Ones, 2000). The typology based on the crosses on the above two dimensions are

1. Property deviance (serious deviance against the organization)
2. Production deviance (minor deviance directed at the organization).
3. Personal aggression (serious deviance directed at other individuals).
4. Political deviance (minor deviance directed at other individuals).

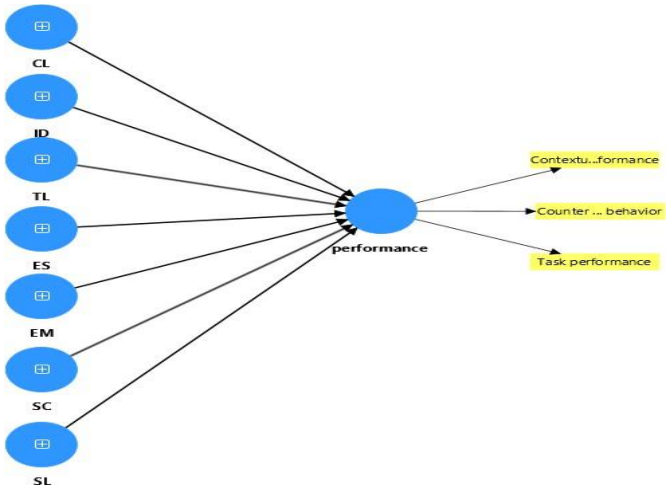
Adaptability

Griffin et al., (2007) described uncertainty and interdependence of job roles as defining characteristics of organizational contexts to base their own new model of job performance. The perpetual dynamic nature of organizational environments produces challenges in formalizing work behaviors and provides room for employee competency through adaptive skills. Adaptive work-related behaviors are observed at multi-levels such as individual, team or function level and organization level (Griffin et al., 2007).

Adaptive performance is defined as the extent to which an individual adapts to changes in the work role or the environment (Griffin et al., cited on Koopmans, 2015) and it is also not to be viewed as a response to environmental alterations only but also represents proactive measures to adjust or shape the environment according to owns perception of the required changes (Dorsey et al., 2017). Koopmans has included adaptability to contextual performance in the development of the latest Individual Work Performance Questionnaire (IWPQ).

2.1.3 Empirical findings

Multiple studies in the developed as well as in the developing economies have sought to understand the effects of the dimensions of the learning organizations in relation to organizational knowledge and financial outcomes as well as outcomes on individuals. In likeness to this study's research objectives Ponnuswamy & Manohar, (2016) investigated the effects of learning organization culture on individuals which wore women employees in higher educational institutions in India. The study used mixed approach and concluded that organizational learning culture has substantial role in the knowledge and financial performance of the women staffs in higher education institutions. The women wore found to be challenged in managing work life balance and change, hence was suggested for the organizations to accommodate in its culture to give them time to improve their knowledge performance. The quantitative analysis provided evidence and reassured that there is a strong association between learning organization culture and performance. Further they concluded that level of satisfaction depended on individual perceptions of the degree of learning present and suggested human resource developers use this variable as an index for aligning learning to improve performance. However, the study was limited to the education sector and focused only on women employees therefore is restricted to generalize the findings to the banking industry. A study by Mbuthia, (2018) investigated to determine the effects of the learning organizations dimensions on organizational performance on selected commercial banks found in Kenya and concluded that some dimensions of the learning organization like continuous learning, dialogue and enquire and employee empowerment have positively impacted organizational performance while team learning was found to have no significant effect on organizational performance. While the study provides valuable insight to the nature of the effects that the dimensions have, the study reduced the number of dimensions of the learning organization and only witnessed the effects of four out of the seven dimensions which was against the assumption that the dimensions are designed to operate under the collectively framework of the learning organization culture. A study by Duan (2017) also revealed that a learning organization characterized by the learning organization disciplines was found to increase employee's commitment and sense of ownership in their job, it was also found relevant in further facilitating organizational communications catalyzing creativity in the high-tech industries where the research focused, it was concluded that employees would perform better if they wore working in a learning organization, however the study employed the five generic disciplines of the learning organization proposed by Senge which wore criticized for their lack of practical guidance to practicing managers and additionally the study was conducted in china and difference in cultural context augment the need for empirical assessment of the issue in Ethiopia banking industry.



Marsick and Watkins (2003) and Koopmans (2015)

Figure 1 Conceptual framework

3 CHAPTER THREE

3.1 Research methodology

This chapter presents the methodology that is used to conduct the intended study, and it includes the research design, data source, data collection method, target population, sample design, sample size and data analysis methods.

3.2 Research design

The research design aims to provide a systematic explanation of how research questions are to be addressed (Thomas & Zubkov, 2023) and accordingly this study adopted a quantitative, cross sectional survey design with an explanatory approach which will allow to describe and measure the strength of the relationship between learning organizations dimensions and employee performance. It will also assist in describing the learning culture and current learning practices of the target organization from the learning organization perspective.

3.3 Data type and data collection

The study used quantitative data through survey design. Primary data was collected from respondents using structured self-administered questionnaires.

The questionnaires used in the study are questionnaires developed priorly and they are administered to measure both the independent and dependent variables of the study. Learning organization practice was assessed through the dimensions of the learning organization questionnaire developed by (Marsick & Watkins, 2003) and individual employee performance

was assessed using individual work performance questionnaire by (Koopmans, 2015). The questionnaires used here to assess individual employee performance are built mainly for research purposes and address all the dimensions of employee performance which the researcher intends to study.

Data was collected using printed questionnaires after receiving approval from the bank while observing and implementing all due ethical considerations during the data collection period.

3.4 Target population

A population is used to describe the total items of which information is desired (Kabir, 2016, p. 169) and this study addressed employees of commercial bank of Ethiopia which are located in Addis Ababa specifically Kirkos district. The bank is organized in five regions and 33 districts and Kirkos district is the largest in branch number among the ten districts in Addis Ababa and contributes substantial financial performance to the region.

3.5 Sample design and sample size

A disproportionate stratified random sampling was used for sampling design. The total number of population under the study area which is Kirkos district is 1370 comprising of both the district office employees and all 46 branches staffs found in Kirkos district. The number of employees in the district office is 189 and within it has about 14 functional groups, and in branches it is 1,181. To determine a representative sample of the overall population (Yamane, 1967, p. 99)simplified formula for finite populations is used.

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

where n= the required sample size

N= the total number of the population

e = the level of precision

at 95% confidence level with e=0.05, the sample size is calculated equal to 309.6 ≃310. And from this total sample size 10% as suggested by (Connelly, 2008) was used to pilot test the effectiveness of the procedures of the planned study.

3.6 Data preparation and analysis

The questionnaires that wore distributed and completed were recollected and data was checked for completeness then manually entered into SPSS (statistical package for social science) version 27 and was prepared for further analysis in smart PLS 4. The questionnaire had two parts the first with 43 items on a 6 point likert with 1, almost never 2, seldom 3, sometimes 4,often 5, frequently and 6,almost always and the second part of the questionnaire with 18 items on 5 point

likert with 1,seldom 2,sometimes 3,regularly 4, often and 5,always with the last 5 questionnaire items requiring reverse coding in SPSS.

3.6.1 Descriptive statistics

Descriptive statistics using mean and standard deviation was observed first to describe the basic feature of the respondents demographic profile and then to capture the learning practice of the focus organization. Outputs are presented using tables and the descriptive statistics results from SPSS were discussed with the help of the "Participant's Guide for Interpreting Results of the Dimensions of the Learning Organization Questionnaire" by (O'Neil, 2003).

3.6.2 Inferential statistics

To examine the relationships between the constructs and test the hypothesized effect of learning organization dimensions on employee performance, partial least squares structural equation modeling (PLS-SEM) was applied using smart PLS 4. Individual employee's performance was modeled as a higher order latent construct using repeated indicator approach with three reflective first order dimensions which are Task performance, Contextual performance and counterproductive work behavior as based on the individual work performance questionnaire by Koopmans, (2015), the dimensions of the learning organization were modeled as reflective exogenous constructs also following after with the conceptualization of Marsick & Watkins, 2003.

3.7 Data validity and Reliability

Validity and reliability are the two fundamental elements in evaluating a research instrument. According to Tavakol & Dennick, (2011). Validity is considered to measure the extent to which the instrument in use is effectively measuring what it is intended to analyze, and reliability is concerned with the ability of an instrument to measure consistently. The researcher was physically present while respondents filled in the questionnaires to explain on any possible ambiguity and misunderstanding of the research instrument items.

The measurement model created using Smart PLS was first assessed for indicator's reliability based on the outer loadings of the indicators on their constructs. An outer loading of 0.708 and above is considered relevant (Hair et al., 2019). Then the model is evaluated in terms of internal consistency which was assessed using Cronbach's alpha and composite reliability. Cronbach's alpha is a measure developed by Lee cronbach in 1951 to measure internal consistency of a scale (Tavakol & Dennick, 2011) and it ranges between 0 to 1, values between 0.7 - 0.9 are considered satisfactory (Hair et al., 2022).

Convergent validity and discriminant validity were also asserted through average variance extracted (AVE) and Hetrotrait –Montrait ratio (HTMT) respectively. An AVE of above 0.5 indicates adequate convergent validity and HTMT value of below 0.85 is adequate for discriminant validity (Hair et al., 2022).

Then after, the structural model was assessed by examining first the collinearity between the predicting constructs through checking VIF (Variance inflation factor) with Values below 5 indicating no serious collinearity. The structural relationship was evaluated by observing the path coefficients (β) and their associated p value, coefficient of determination (R^2) is used to determine the explanatory power and overall impact of the learning organization dimensions on individual employee's performance. Effect sizes (f^2) were analyzed to inquire the practical relevance of the dimension and the none zero effect level the dimensions contain. The inferential statistics were obtained using a bootstrapping procedure with (5000) subsamples to test the statistical significance of the hypothesized relationships.

3.8 Ethical considerations

The researcher maintained all ethical measures in the process of conducting this research and organized the willing participation and cooperation of respondents. The aim of the research being for academic purposes was consented with all partakers and privacy of respondents is kept confidential. All literature resources used in the research are trusted to be duly acknowledged.

4 Chapter Four

4.1 Data analysis and interpretation

In this chapter, findings of the research from the surveys and data collected are going to be analyzed and discussed. The survey was conducted on 310 employees of commercial bank of Ethiopia found in Kirkos district. Responses are summarized and presented using tables as follows.

4.1.1 Response rate

Table 1 Response rate

Description	Number of responses
Distribution method	Hard copy
Sample size	310
Questionnaire distributed	310
Questionnaires collected	297
Response rate	95.8%
Usable response	297

4.1.2 Demographic profile of respondents

In this study the demographic profile of respondents is observed using four variables which are gender. Age, educational level and work experience

Table 2 Demographic profile

No	Responses		Frequency	Percentage
1	Gender	Males	157	52.9%

		Females	140	47.1%
		Total	297	100%
2	Age	20-30 years	105	35.3%
		31-40 years	160	53.9%
		41-50 years	32	10.8%
		Above 51	0	0
		Total	297	100%
3	Educational level	BA/BSC	235	79.1%
		MA/MSA	62	20.9%
		PHD	0	0%
		OTHER	0	0%
		Total	297	100%
4	Years of service	Less than 2 years	6	2%
		2-5 years	92	31%
		6-10 years	97	32.7%
		Above 10 years	102	34.3%
		Total	297	100%

Out of the total 297 respondents of CBE employees 52.9 % which are 157 were male and the rest 47.1 % or 140 were females. Regarding age majority of the respondents were between the age 31-40 accounting for 53.9% of the total. All respondents' educational background was either bachelor's degree or masters, 79.1% of the respondents have their first degree and the rest were master's graduates. Relatively all respondents can be considered experienced employees of the bank, only 6 employees being newly hired with less than two years of experience and 92 employees have been with the bank for a range between 2-5 years accounting for 32.7%,97 employees between the year 6-10 years and 102 employees have more than 10 years' experience.

4.1.3 Descriptive statistics of the dimensions of the learning organization and interpretations.

Employees of CBE were asked to respond to the dimensions of the learning organization questionnaire by Marsick and Watkins (2003) which comprises of 43 items divided equally into six for the six dimensions and an additional one for the continuous learning dimension.

The respondents were requested to rate their perception towards the dimensions of the learning organization in their work place on the six point likert questionnaire. The dimensions of the learning organization according to Marsick and Watkins (2003) are continuous learning, promote inquiry and dialogue, encourage collaboration and team learning, create systems to capture and share learning, empower people towards a collective vision, connect the organization to its environment and provide strategic leadership for learning.

Quantitative data analysis was employed and responses were summarized into their respective means and standard deviations in order to understand the collective perception of the employees thereby allowing for the achievement of the primary research objective. The means indicate the

extent to which the average sample group agrees or disagrees with the items in the questionnaire. The following table is used to rank the means.

Interval	Description
1.00-1.82	Very low
1.83-2.65	Rather low
2.66-3.48	Low
3.49-4.31	Slightly high
4.32-5.14	High
5.15-6.00	Rather high

Source: Pimentel, 2019

On the other hand standard deviations are measures of how spread the data or responses are from the mean of the responses. In a normally distributed dataset 68% of the values are within one standard deviation on either side of the mean and 95% of values are within two standard deviation and 99% of values are within three standard deviations (Kaur et al., 2018).

Following, each learning organization dimension's research findings are presented in sections and tables separately and the descriptive statistics results are discussed with the help of the "Participant's Guide for Interpreting Results of the Dimensions of the Learning Organization Questionnaire" by (O'Neil, 2003).

- **Creating continuous learning opportunities**

Employee's perception towards the presence of continuous learning opportunities in their work place was captured and is presented in the following table.

Table 3 Descriptive statistics continuous learning

No	Variable	Means	Standard deviations
1	In my organization, people openly discuss mistakes in order to learn from them.	3.79	0.86
2	In my organization, people identify skills they need for future work tasks.	3.93	1.15
3	In my organization, people help each other learn.	4.22	0.94
4	In my organization, people can get money and other resources to support their learning.	3.8	1.3
5	In my organization, people are given time to support learning.	3.87	1.06
6	In my organization, people view problems in their work as an opportunity to learn.	3.92	1.02

7	In my organization, people are rewarded for learning.	3.73	0.88
	Continuous learning	3.89	0.77

As the table shown above the descriptive statistics for the first dimension which is continuous learning shows that the mean scores for the items range between 3.73 and 4.22 displaying an overall tendency toward the slightly high level of continuous learning practices presence in the organization.

The mean score of the statement "In my organization, people openly discuss mistakes in order to learn from them" is 3.79 with standard deviation of 0.86 which is a slightly high mean indicating above average employees agree that they have the freedom to discuss mistakes without fear of sanctions or punishment and this view is dispersed slightly among the employees indicating there is a general consensus among employees in considering their work environment as such.

The mean score of the second statement" In my organization, people identify skills they need for future work tasks" is 3.93 with standard deviation of 1.15 which is slightly high mean with moderate dispersion in consistency of respondents suggesting that the organization is perceived to have systematically identified the skill requirements and is aware of the current skill base in the organization but not little number of respondents vary in opinion.

The mean score of the third statement "In my organization, people help each other learn" is 4.22 with standard deviation of 0.94 indicating that there is a close to high but categorized as slightly high knowledge sharing experience indicating that there are systems developed for learning from one another on the job in the organization, the below unit standard deviation shows that there is small dispersion in respondents perception of the experience.

The fourth statement "in my organization people can get money and other resources to support their learning" has mean of 3.8 and standard deviation of 1.3 which shows that employees perceive that they have slightly high access to resources for learning but lack of uniformity in respondents perception indicates unclear or unevenly distributed opportunities.

The fifth statement "In my organization, people are given time to support learning" has a mean score of 3.87 with standard deviation of 1.06. The slightly high mean shows that employees agree they are provided time for training from organization working hours and time spent on learning is not discouraged by managers, the view is moderately dispersed among respondents.

The sixth statement "In my organization, people view problems in their work as an opportunity to learn" has mean of 3.92 and standard deviation of 1.02 which is a slightly high mean indicating that in the organization challenges and problems are seen as opportunities and that

appropriate data is collected to acknowledge the incidents, however this score is not uniform among respondents and there is moderate dispersion in the consensus.

The last statement "In my organization people are rewarded for learning" has mean of 3.75 and a standard deviation of 0.88 indicates that employees perceive that learning is encouraged but not too much and that learning is not very highly tied to tangible organizational incentives, employees have a general consensus on the view.

The continuous learning dimension has a grand mean of 3.89 with a standard deviation of 0.77 which is a slightly high mean with small variation in respondent's perception. CBE is trusted according to respondents view to have designed a culture that practices learning through open discussions, on job trainings and knowledge sharing, further it is viewed in the organization that resources for learning are provided and learning is incentivized frequently.

- Promote inquiry and dialogue

Employee's perception and ratings of the second dimension of the learning organization which is promoting inquiry and dialogue results are captured and discussed as follows.

Table 4 Descriptive statistics inquire and dialogue

No	Variable	Means	Standard deviations
1	In my organization, people give open and honest feedback to each other.	3.87	1.04
2	In my organization, people listen to others' views before speaking.	3.96	0.99
3	In my organization, people are encouraged to ask "why" regardless of rank.	3.77	1
4	In my organization, whenever people state their view, they also ask what others think.	4.05	0.98
5	In my organization, people treat each other with respect.	4.13	0.92
6	In my organization, people spend time building trust with each other.	4	0.99
	Promote inquiry and dialogue	3.95	0.76

The first item "In my organization people give open and honest feedback to each other" has mean of 3.87 and standard deviation of 1.04 which is a slightly high mean but with moderate dispersion among respondents perception. The results indicate that open exchange of ideas is not

suppressed and giving feedback aiming for meeting target expectations and a change in behavior is practiced.

The second item "In my organization people listen to others views before speaking" is rated 3.96 with standard deviation of 0.99 which is a slightly high mean indicating that the organization benefits from diverse viewpoints and there is a culture that does not discourage conflicting perspectives, the perception has a small standard deviation showing higher consistency in the respondent's ratings.

The third statement "In my organization people are encouraged to ask why regardless of rank" has a mean of 3.77 which is slightly high mean with unit standard deviation. This indicates that in the organization conducts does not emphasize hierarchy and status above quality of ideas.

The fourth item "In my organization whenever people state their view, they also ask what others think" is rated 4.05 with standard deviation of 0.98. It is a slightly high mean with small variation and it shows that conversation practices invite challenge and inquiry for understanding. There is small variation in the perception indicating the consensus among employees.

The fifth item "In my organization people treat each other with respect" has a mean of 4.13 with standard deviation of 0.9, it is the highest mean among the items indicating norms and rules emphasize politeness and the environment is not highly competitive, the variation in respondents perception is also small.

The last item "In my organization, people spend time building trust with each other" is rated with mean of 4 with standard deviation of 0.99 which is a slightly high mean with small dispersion in perception among respondents and this indicates that employees does not face challenge in knowing how to build trust among themselves and a culture of fear does not exist.

The grand mean of the dimension is 3.95 with 0.76 in standard deviation, which is a slightly high mean with small variations in consensus among respondents towards the presence of the practice in the organization. Employee's responses show that they are gaining productive reasoning skills in the work place to express their views and also have the capacity to listen and inquire to the opinions of collogues. CBE is considered by the respondents to have a culture that supports questioning, feedback and experimentation.

- Encourage collaboration and team learning

Third in sequence of the constructs of the learning organization is encouraging collaboration and team learning and the views of the sample respondents is presented and discussed below.

Table 5 Descriptive statistics team learning

No	Variable	Means	Standard deviations

1	In my organization, teams/groups have the freedom to adapt their goals as needed.	3.48	0.71
2	In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences.	4.47	1.05
3	In my organization, teams/groups focus both on the group's task and on how well the group is working.	3.71	1.1
4	In my organization, teams/groups revise their thinking as a result of group discussions or information collected.	3.89	0.97
5	In my organization, teams/groups are rewarded for their achievements as a team/group.	4.15	0.8
6	In my organization, teams/groups are confident that the organization will act on their recommendations.	3.92	0.94
	Encourage collaboration and team learning	3.93	0.71

The first item stating "in my organization teams/groups have the freedom to adapt their goals as needed" was rated 3.48 with standard deviation of 0.71 which is a low mean with high consensus among respondents. Employees perceive they are restricted to tasks provided and don't enjoy the freedom to rethink their mandates.

The second item "In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences" has a mean of 4.47 with standard deviation of 1.05 which is the highest mean among the items in the dimension with a moderate variation in consensus among respondents. The rating indicates that hierarchy and status does not hinder flow of ideas and information and that people are willing to express their views.

The third item "In my organization, teams/groups focus both on the group's task and on how well the group is working" has a mean of 3.71 with a standard deviation of 1.11 which is a slightly high mean with moderate variation in respondent's perception indicating that in the organization time is spend developing relationships that have value to enhancing productivity.

The fourth item which states "In my organization, teams/groups revise their thinking as a result of group discussions or information collected" has a mean of 3.89 and a standard deviation of 0.966 which is a slightly high mean with small variation in respondents view. This indicates that members reevaluate their assumptions and actions based on the opinion of others.

The fifth item "In my organization, teams/groups are rewarded for their achievements as a team/group" has a slightly high mean of 4.15 with small standard deviation of 0.8 indicating high

consensus among employees regarding this statement. It is shown based on these figures that contributions to teams/groups are perceived to be recognized and rewarded by the organization.

The last item "In my organization, teams/groups are confident that the organization will act on their recommendations" has a mean of 3.92 and a standard deviation of 0.94 which is a slightly high mean with a small variation close to moderate in consensus among employees view. Groups/teams in the organization think their work is valued and their recommendations are appropriately used.

This dimension has means ranging in between valued low to slightly high (3.48-4.47) with only two items having a standard deviation that is moderate and the rest is small.The grand mean of this dimension is 3.93 with a standard deviation of 0.71 which is a slightly high mean with small variation among respondents opinion from the mean. The result explains a practice in CBE that demands employees in groups and teams to work and learn together and their collaboration and effort is valued and rewarded. The organization leverages teams to foster diverse perspectives and problem solving.

- Create systems to capture and share learning

The fourth dimension is creating systems to capture and share learning and the descriptive statistics of this dimension and the respective individual items ratings are discussed as follows;

Table 6 Descriptive statistics embedded systems

No	Variable	means	Standard deviations
1	My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meetings.	4.39	0.98
2	My organization enables people to get needed information at any time quickly and easily.	3.63	0.99
3	My organization maintains an up-to-date database of employee skills.	4.27	0.91
4	My organization creates systems to measure gaps between current and expected performance.	4.05	0.93
5	My organization makes its lessons learned available to all employees.	3.94	0.95
6	My organization measures the results of the time and resources spent on training.	4.07	0.87

	Create systems to capture and share learning	4.05	0.73

The mean score of the first item "My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meetings" is 4.39 with a standard deviation of 0.98 which is a high mean and small dispersion in respondent's perception and it indicates that there is a strong presence of resources and methods for widespread public sharing of information in the organization.

The second item "My organization enables people to get needed information at any time quickly and easily" has a mean score of 3.63 with a standard deviation of 0.99 which is a slightly high mean with small variation in respondent's opinion but is the lowest mean in the dimension and it could be understood to indicate the presence of gaps perceived by employees in finding the appropriate or updated document timely for getting jobs done, it also indicates few knowledge management tools or have the technology but without proper skill to use it.

The third item "My organization maintains an up-to-date database of employee skills" has a mean of 4.27 and a standard deviation of 0.9 which is a slightly high mean with small variations among respondents opinion and this result shows that employees acknowledge the presence of the technology to record, update and review employee capabilities for proper use and the organization is aware of its current skill base.

The fourth item "My organization creates systems to measure gaps between current and expected performance" has a mean value of 4.05 and a standard deviation of 0.93 which is also a slightly high mean with small variation in consistency of respondent's ratings. This shows that there adequate systems of measurement performance and that the organization uses balanced scorecard.

The fifth item is "My organization makes its lessons learned available to all employees" and it has a mean value of 3.94 with a standard deviation of 0.95 which is a slightly high mean with small variation in employee's opinion from the mean, it shows that what works and what does not is identified and shared in the organization, lessons and information are widely shared conveniently.

The last item which is "My organization measures the results of the time and resources spent on training" has a mean score of 4.07 with a standard deviation of 0.87 categorized as slightly high mean with high consensus among respondents. It shows that employees are supervised by HR personnel for proper spending of the resource and time allocated to employee training and the effects or value added because of trainings is evaluated.

The grand mean of the dimension is 4.05 with a standard deviation of 0.73 which is a slightly high mean with high consensus in employee's perception towards the embedded systems to capture and share learning being present in the organization. The system level learning, which is a necessity according to the learning organization models because of its functions in making

the other dimensions work is seen here to have been well established in CBE. The presence of the these high and low technology tools allows for widespread public sharing of information and adequate measurement of employee performance and utilizing of knowledge management systems.

- Empower people toward a collective vision

The fifth dimension in the dimensions of the learning organization is empowering people toward a collective vision and the descriptive statistics of this dimension and the individual items ratings are discussed as follows;

Table 7 descriptive statistics empower to shared vision

No	Variable	Means	Standard deviations
1	My organization recognizes people for taking initiative.	3.7	1.17
2	My organization gives people choices in their work assignments.	3.51	1.04
3	My organization invites people to contribute to the organization's vision.	3.4	0.9
4	My organization gives people control over the resources they need to accomplish their work.	3.94	0.97
5	My organization supports employees who take calculated risks.	3.84	1.01
6	My organization builds alignment of visions across different levels and work groups.	3.79	0.94
	Empower people toward a collective vision	3.7	0.78

The first item is "My organization recognizes people for taking initiative" and it has a mean value of 3.7 and a standard deviation of 1.17 which is a slightly high mean with moderate dispersion of the respondents opinion form the mean. It indicates that respondents perceive the organization encourages people to take responsibility for decisions that directly affects their work and also are held accountable for them.

The second item "My organization gives people choices in their work assignments" has a mean value of 3.51 with a standard deviation of 1.04 which is a slightly high mean. It is to be understood that the results suggests the organization is flexible and encourages employees to design their work in ways that are satisfying and rewarding and the perception is dispersed

moderately among employees however it is also worthwhile to notice the figure is close to be ranked low.

The third item is" My organization invites people to contribute to the organization's vision" has a rated mean of 3.4 with a standard deviation of 0.9, which is a low mean with small variability in sample respondents opinion. The low mean is understood as indicating the centralized development of the vision and strategy and employees are expected to follow and implement.

The fourth item is "My organization gives people control over the resources they need to accomplish their work" has a mean value of 3.94 with a standard deviation of 0.97 which is a slightly high mean with small variation in respondent's attitude toward the statement. It is perceived that people in the organization are allowed to work without going through layers of management for consultation and permission.

The fifth item is "My organization supports employees who take calculated risks" has a rated mean of 3.84 with standard deviation of 1.01 which is a slightly high mean with moderate variability and it indicates that the work environment in the organization is not risk aversive to the extreme and employees perceive or practice experimenting with new ideas and ways.

The final item is "My organization builds alignment of visions across different levels and work groups" and it has a mean of 3.79 and a standard deviation of 0.94 which is a slightly high mean with small variability in respondent's perception. It shows that there is consensus in viewing the organization as good at coordinating parts of the organization.

The dimension indicates organizational practices that allows for building shared vision in which people are shared power and responsibility close to decision making for catalyzing learning tendencies and practices of individuals towards what they are held responsible. It is shown from the table that the items mean range between 3.4- 3.79 which is the lowest interval of means in the instrument. The grand mean of the dimension is 3.7 with a standard deviation of 0.78 which is a slightly high mean indicating the perception exists among respondents that they are coupled in setting, owning and implementing a shared vision and that responsibility is distributed granting freedom close to decision making which motivates learning. It is noticed that the item which measures contribution to setting the vision has the lowest mean but indicates from the results of the other items that the organization have managed to communicate the vision statement to employees and induce its implementation.

- Connect the organization to its environment

The sixth dimension namely connecting the organization to its environment is focused on helping employees understand the effects of own decisions on the entire organization and about linking the organization with the surrounding community. The respondent's perception is captured and shared in the following table and consequently the individual items descriptive statistics is discussed.

Table 8 descriptive statistics systems connection

No	Variable	means	Standard deviations
1	My organization helps employees balance work and family.	3.89	1.02
2	My organization encourages people to think from a global perspective.	3.96	0.99
3	My organization encourages everyone to bring the customers' views into the decision-making process.	4.53	1.49
4	My organization considers the impact of decisions on employee morale.	4.09	0.86
5	My organization works together with the outside community to meet mutual needs.	3.82	1.01
6	My organization encourages people to get answers from across the organization when solving problems.	3.86	0.98
	Connect the organization to its environment	3.9	0.73

The first statement" My organization helps employees balance work and family" has a mean value of 3.89 and a standard deviation of 1.02 which is a slightly high mean with moderate variability of responses around the mean. It indicates that the organization is perceived to have in place programs to address work-life balance and give value to employee's social life external to the organization.

The second statement which is "My organization encourages people to think from a global perspective" has a mean value of 3.96 with standard deviation of 0.99. It is ranked a slightly high mean with small variability in respondent's consensus. It is viewed by respondents that the organization pays attention to potential global opportunities and their effects on its business.

The third item "My organization encourages everyone to bring the customers' views into the decision-making process" has a mean of 4.53 with a standard deviation of 1.5, it's is a high mean with high variability in respondents agreement towards the statement. It shows that the organization is viewed to have adequately focused on customers, yet not little respondents are scattered away from the agreement on the idea or its implementation which has resulted a high standard deviation.

The fourth statement "My organization considers the impact of decisions on employee morale" is rated with mean of 4.09 and standard deviation of 0.86 which is a slightly high mean with small

variability in responses from the mean. It indicates that employee morale is regarded by the organization, communication efforts contribute so that decisions that impact employees are not surprises.

The fifth statement "My organization works together with the outside community to meet mutual needs" is rated 3.86 with standard deviation of 1.01 and it is a slightly high mean with moderate variability in respondent's agreement. It shows that the organization is perceived to be well involved with the community.

The last statement "My organization encourages people to get answers from across the organization when solving problems" has a mean value of 3.86 with a standard deviation of 0.98, which is a slightly high mean with small dispersion of respondent's opinion. It indicates that the organization have successfully managed to break functional silos and barriers which inhibit working across organization boundaries.

This dimension has a grand mean of 3.9 and a standard deviation of 0.73 which is a slightly high mean with small variation in respondent's opinion. It is used to assess the aspects of an organization that shows its consideration for the surrounding community starting with its employees. The mean values of the items range between 3.82 -4.53. The means belong to the slightly high mean category except for the statement "My organization encourages everyone to bring the customers' views into the decision-making process" which has a high mean with high standard deviation, it can be concluded that the organization is engaged and linked with the community and is using employees to connect to the outside environment. Customer centric operations are designed but consistent perception is not observed in employees.

Provide strategic leadership for learning

The last dimension in the learning organization is "providing strategic leadership for learning" and it represents leader's support and behavior towards learning in an organization and the descriptive statistics for this dimension is presented as follows.

Table 9 descriptive statistics strategic leadership for learning

No	Variable	Means	Standard deviations
1	In my organization, leaders generally support requests for learning opportunities and training.	4.15	0.79
2	In my organization, leaders share up-to-date information with employees about competitors, industry trends, and organizational directions.	4.01	0.73
3	In my organization, leaders empower others to help carry out the organization's vision.	3.97	0.75
4	In my organization, leaders mentor and coach those they	4.15	0.99

	lead.		
5	In my organization, leaders continually look for opportunities to learn.	4	0.91
6	In my organization, leaders ensure that the organization's actions are consistent with its values.	3.94	1.07
	Provide strategic leadership for learning	4.03	0.67

The first statement "In my organization, leaders generally support requests for learning opportunities and training" has a mean of 4.15 with 0.79 for standard deviation. It is a slightly high mean with small variability in respondent's opinion. It indicates that the organization has relevant learning opportunities and well-designed training mandate for everyone.

The second statement "In my organization, leaders share up-to-date information with employees about competitors, industry trends, and organizational directions" has a mean value of 4.01 with a standard deviation of 0.73.which is a slightly high mean with a small variation in respondents view. It shows that the organization makes information widely and easily available regarding competitors, industry trends and organizational directions.

The third statement "In my organization, leaders empower others to help carry out the organization's vision" has a mean value of 4.15 and a standard deviation of 0.75 which is also a slightly high mean with small dispersion of respondents perception and it can be concluded that the organization does not has a climate of distrust or low learning where employees are made to not to go beyond their stated job scopes.

The fourth statement "In my organization, leaders mentor and coach those they lead" has a mean value of 4.15 with standard deviation of 0.99 which is a slightly high mean with small dispersion of respondent's opinion. And it indicates that the organization is perceived to value development rather than direction and discipline and leaders are aware of coaching and mentoring strategies of the organization.

The fourth statement "In my organization, leaders continually look for opportunities to learn" has a rated mean of 4 with a standard deviation of 0.91 which is a slightly high mean with small variation among respondents perception. It means that the organization provides resources and opportunities for leaders to learn and they are expected to engage in continual learning and have all the answers.

The last statement "In my organization, leaders ensure that the organization's actions are consistent with its values" has a mean of 3.94 and a standard deviation of 1.07 which is a slightly high mean with moderate variability in respondent's attitude and agreement. It shows that

organizational values are explicitly stated and actions are followed to be in harmony to the values.

The last dimension of the learning organization which is "provide strategic leadership for learning" explains the leadership characteristics in relation to learning. It tests if leaders lead in support of learning to benefit from learning for business objectives. The strategic leadership for learning dimension has grand mean of 4.03 and a standard deviation of 0.67 which is a slightly high mean with very high consistency of respondents answer. This shows that the managers and leaders behavior is directed in accordance with the learning organization practices and that leader's behavior is highly consistent and inclined to promoting the values of learning. The results help in building up of trust among employees and motivate them to be continuously engaged in learning while working.

4.2 Inferential statistics

PLS-SEM (partial least square structural equation modeling) was employed to assess the direct effects of learning organization dimensions on individual employee performance and test the research hypotheses there by allowing for the achievement of the second research objective. The modeling technique was found convenient to extend the established learning organization theory to the research new context, PLS-SEM is designed to predict key target constructs and explore relationships in developing theories (Hair et al., 2019).

4.2.1 The measurement model

A. PLS-SEM model assessment first focuses on the measurement models (Hair et al., 2019), so the reflective measurement models in this research was assessed for the necessary reliability and validity criteria.

4.2.1.1 Indicator reliability

Indicator reliability was evaluated based on the outer loadings of the reflective indicators. All indicators showed above 0.7 outer loading providing satisfactory item loadings.

Table 10 Indicator reliability test

	CL	CP	CPB	EM	ES	ID	SC	SL	TL	TP
CL1	0.724									
CL2	0.711									
CL3	0.741									
CL4	0.747									
CL5	0.774									
CL6	0.785									
CL7	0.713									
CP1		0.770								
CP2		0.767								
CP3		0.826								

CP4		0.852								
CP5		0.818								
CP6		0.797								
CP7		0.818								
CP8		0.812								
CWB1			0.771							
CWB2			0.771							
CWB3			0.808							
CWB4			0.814							
CWB5			0.787							
EM1				0.803						
EM2				0.805						
EM3				0.728						
EM4				0.761						
EM5				0.753						
EM6				0.791						
ES1					0.718					
ES2					0.718					
ES3					0.836					
ES4					0.786					
ES5					0.786					
ES6					0.836					
ID1						0.798				
ID2						0.816				
ID3						0.720				
ID4						0.758				
ID5						0.723				
ID6						0.771				
SC1							0.804			
SC2							0.777			
SC3							0.703			
SC4							0.722			
SC5							0.803			
SC6							0.774			
SL1								0.822		
SL2								0.783		
SL3								0.731		
SL4								0.779		
SL5								0.708		
SL6								0.741		
TL1									0.702	
TL2									0.738	
TL3									0.775	
TL4									0.809	

TL5									0.767	
TL6									0.793	
TP1										0.803
TP2										0.870
TP3										0.845
TP4										0.817
TP5										0.844

4.2.1.2 Internal consistency reliability

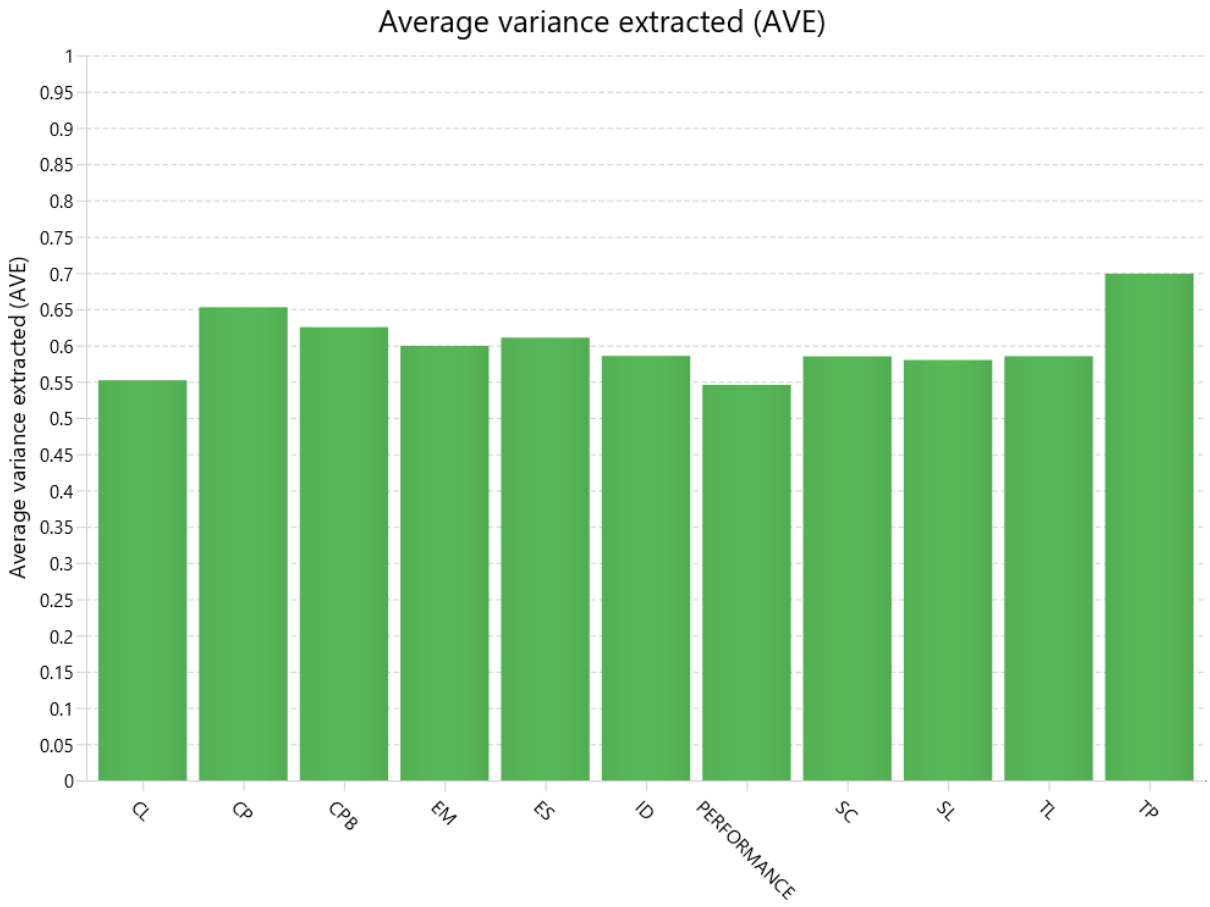
Internal consistency reliability was assessed using Cronbach's alpha and composite reliability (ρc). The alpha criterion provides an estimate of the reliability based on the inter-correlations of the observed indicator variables (Hair et al., 2022, p. 118). Cronbach's alpha and composite reliability (ρC) values range between 0 and 1,with values between 0.7-0.9 considered sufficient. PLS-SEM algorithm output is presented here after.

Table 11 Reliability tests

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CL	0.865	0.867	0.896	0.552
CP	0.913	0.915	0.931	0.659
CPB	0.850	0.851	0.893	0.625
EM	0.867	0.875	0.900	0.599
ES	0.872	0.880	0.904	0.611
ID	0.858	0.864	0.894	0.586
PERFORMANCE	0.951	0.951	0.956	0.546
SC	0.857	0.859	0.894	0.585
SL	0.855	0.859	0.892	0.580
TL	0.858	0.865	0.894	0.585
TP	0.892	0.894	0.921	0.699

4.2.1.3 Convergent validity

It is the extent to which a measure correlates positively with alternative measures of the same construct. A common metric to establish convergent validity on the construct level is the average variance extracted (AVE) (Hair. et.al, 2019).As it can be observed from the chart below all reflective constructs produced AVE values above the recommended threshold of 0.5 indicating that the constructs explained more than 50% of the variance in their indicators thus, convergent validity was established.



4.2.1.4 Discriminant validity

Discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards. The study evaluated discriminant validity using the heterotrait-monotrait ratio with a conservative threshold of 0.85.

Table 12 Discriminant validity test

	CL	CP	CWB	EM	ES	ID	SC	SL	TL	TP
CL										
CP	0.510									
CPB	0.566	0.821								
EM	0.395	0.449	0.450							
ES	0.312	0.609	0.644	0.285						
ID	0.393	0.598	0.692	0.272	0.430					
SC	0.411	0.652	0.591	0.254	0.492	0.422				
SL	0.429	0.651	0.678	0.616	0.431	0.448	0.471			
TL	0.390	0.560	0.584	0.383	0.327	0.340	0.411	0.435		
TP	0.545	0.823	0.830	0.473	0.584	0.674	0.641	0.670	0.565	

4.2.2 Assessing the structural model

4.2.2.1 collinearity test

Since the measurement model results were satisfactory the assessment was continued to the structural model and the first step is to check for collinearity between constructs. VIF values are to be close to 3 and lower (Hair. et.al, 2019) to indicate no serious collinearity.

Table 13 collinearity test

	VIF
CL -> PERFORMANCE	1.340
EM -> PERFORMANCE	1.503
ES -> PERFORMANCE	1.382
ID -> PERFORMANCE	1.351
SC -> PERFORMANCE	1.468
SL -> PERFORMANCE	1.769
TL -> PERFORMANCE	1.330

Asserting that collinearity was not an issue, the study moved to assess the significance and relevance of the structural model relationships. The path coefficients represent the relationships between the model constructs and their significance and relevance was evaluated. A nonparametric bootstrapping procedure for 5000 subscales was conducted in smart PLS. After bootstrapping empirical t and p values are obtained and if a t-value is larger than the critical t values or if a p value is less that the stated error probability it is to be concluded that the coefficient is statistically significant (Hair et al.,2022).

4.2.2.2 Path coefficients significance and relevance

The bootstrapping path coefficients, standard error t value and p value are presented here below and the significance and relevance of the dimensions in relation to the research hypotheses are discussed.

Table 14 path coefficient and significance

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
CL -> PERFORMANCE	0.136	0.136	0.033	4.111	0.000
EM -> PERFORMANCE	0.050	0.051	0.033	1.539	0.124
ES -> PERFORMANCE	0.217	0.215	0.036	6.085	0.000
ID -> PERFORMANCE	0.286	0.287	0.033	8.761	0.000
SC ->	0.190	0.189	0.036	5.252	0.000

PERFORMANCE					
SL -> PERFORMANCE	0.223	0.222	0.038	5.919	0.000
TL -> PERFORMANCE	0.190	0.190	0.034	5.546	0.000

The continuous learning dimension is found to have positive and statistically significant effect on individual employees performance with β= 0.136 and p value <0.001. It has the lowest Path coefficient relative to other learning dimensions in the path model. This result suggests that the continuous learning opportunities are necessary but have weak direct effects on individual employee's performance. The null hypothesis stating Ho1: Continuous learning has no positive and significant effect on employee performance is rejected.

The second dimension promote inquiry and dialogue has a β=0.286 and p <0.001. It is the strongest and significant predictor of individual performance in the model. These results indicate that fostering open communication and critical reflection is an important mechanism for integrating diverse perspectives and problem solving. Dialogues are translated into effective actions and decision making, while in parallel building confidence and motivation for employees therefore the null hypothesis Ho2: Enquiry and dialogue has no positive and significant effect on employee performance is rejected.

The third dimension encourage collaboration and team learning has β= 0.19 p<0.001. This dimension is found to be significant and modest predictor of individual performance. The definition of the dimension includes designing work for groups for working and learning together and the modest coefficient confirms that team learning efforts has moderate enabling effects on individual employee's performances so the null hypothesis Ho3: Team learning has no positive and significant effect on employee performance is rejected.

The fourth dimension "create systems to capture and share learning" has β=0.217, p<0.001. It shows to have a modest and significant positive effect on individual employee's performance. Technologies and mechanisms to capture and share learning are in place in the organization and the effort to institutionalize knowledge has yielded in enhancing employee performance. The null hypothesis concerning this dimension Ho4: Presence of embedded systems has no positive and significant effect on employee performance is rejected.

The fifth dimension which is empower people toward a collective vision has a β=0.05 and p =0.116.This dimension is the only non-significant predictor. The definition of the dimension includes setting and implementing a joint vision and that responsibility is distributed close to decision making. The result suggests that the dimension in isolation does not translate into higher individual employee performance in the organization. The null hypothesis stating Ho5: Empowerment towards a Shared vision has no positive and significant effect on employee performance is accepted.

The sixth dimension "connect the organization to its environment" has β=0.19, p<0.001.This indicates that the dimension has moderate and significant positive effect on employee performance. It can be concluded that employee performance is improved when learning is practiced to assist employees to maneuver the internal and external environment. Therefore the null hypothesis Ho6: Connecting the organization to its environment has no positive and significant effect on employee performance is rejected.

The last dimension which is "provide strategic leadership for learning" has β=0.223, p<0.001.The results show the dimension has modest and significant positive effect on employee performance. The study findings indicate that leadership commitment to learning is important in creating the environment where learning is appreciated and utilized to influence employee performance so the null hypothesis Ho7: Strategic leadership for learning has no positive and significant effect on employee performance is rejected.

4.2.2.3 The coefficient of determination (R^2)

The coefficient of determination was examined, R^2 which has a value ranging between 0 -1 is a measure of the model's explanatory power on the endogenous variable (Shmueli and Koppius, cited on Hair. et.al, 2019). It represents the proportion of variance in the dependent variable that is explained by the independent variables included in the model. The R^2 value of 0.768 is considered substantial in the sample model explanatory power and it means in the model used in this study about 77% of the variance in employee performance is explained by the dimensions of the learning organization.

Table 15 coefficient of determination

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
PERFORMANCE	0.768	0.775	0.021	36.550	0.000

The adjusted R^2 value was found to be 0.764 which is lower to R^2 just by 0.004 indicating that the model is parsimonious and the model explanatory power is not inflated by the number of predictors (K=7). 76.4% of the variance in employee performance is explained by the learning organization dimensions after accounting for model complexity.

Table 16 Adjusted R^2

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
PERFORMANCE	0.764	0.771	0.021	35.776	0.000

4.2.2.4 Effect size (f^2)

The f^2 is a measure of change on R^2 (coefficient of determination) when a construct is omitted from the model. If a construct is relevant in contributing to the explaining power the effect size would be substantial on the endogenous variable when deleted (Hair et al., 2022).

Table 17 Effect sizes

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
CL -> PERFORMANCE	0.059	0.064	0.030	1.984	0.047
EM -> PERFORMANCE	0.007	0.011	0.011	0.677	0.498
ES -> PERFORMANCE	0.147	0.151	0.051	2.849	0.004
ID -> PERFORMANCE	0.261	0.269	0.064	4.088	0.000
SC -> PERFORMANCE	0.106	0.110	0.042	2.524	0.012
SL -> PERFORMANCE	0.122	0.125	0.043	2.806	0.005
TL -> PERFORMANCE	0.117	0.123	0.046	2.547	0.011

The f^2 statistics in the table above provides insight that the none zero effects of most exogenous variables are weak. The empowerment to a shared vision has results close to zero and is considered to have no effect on employee performance where the case was the null hypothesis accepted. The other four dimensions falling between the range 0.059 -0.147 are shown to contribute a small effect and practical relevance to individual employee's performance. The inquire and dialogue dimension has the highest effect on the endogenous variable with f^2 value of 0.261 which is moderate effect in the model based on (Cohen, 2013, p. 425).

5 Chapter five

Summary, conclusion and recommendations

5.1 Summary of findings and conclusion

The research objectives were mainly to assess on the learning practices of the commercial bank of Ethiopia in accordance with the learning organization dimensions by Marsick and Watkins (2003) and also see into the nature and direction of effects that the learning organizations dimensions have in relation to individual employee's performance.

Empirical evidence was collected from 297 employees of the bank from kirkos district and to analyze the data based on statistical testes and its meaningful comprehension SPSS version 27 and smart PLS 4 was employed.

The first objective was analyzed through the results of the descriptive statistics of the respondent's ratings of their work environment from the 43 items of the learning organization questionnaires and it was found that the mean score of the dimensions belong to the slightly high mean category with small variability in respondent's perception. All the dimensions are witnessed to be present and well-practiced in the organization. The empowering people toward a collective vision dimension has a record low from among the dimensions but still in the slightly high mean category indicating that though employees perceive distant from the organization vision in some manners they are made coupled in owning and implementing it. The highest mean from the responses captured belongs to the systems connection and strategic leadership for learning dimensions respectively. This indicates that the bank has invested strongly on technological tools to capture and share learning however item level employees responses show that they still find it difficult to conveniently acquire the information or document they need quickly and easily. The leadership quality and behavior towards learning has also proven to be a strong indicator and support to the learning culture of the organization. Results of the other four learning organization dimensions which are continuous learning for employees, promoting inquire and dialogue , team learning and connecting the organization to the environment also support the assumptions that the bank is following in steps that are adequate to designate the organization as a learning organization.

The study also analyzed the effects of the learning organization dimensions on employee performance and the collective as well as individual effects of the learning organization dimensions were evaluated using results from a partial least squares structural equation model (PLS-SEM).

The learning organization dimensions collectively under learning culture have significant explanatory power on employee performance. It was found based on the sample taken that six out of the seven learning dimension have positive and significant effects on individual employee's performance except for the empowering people toward a collective vision dimension which was found to be statistically insignificant. This suggests that while empowerment initiatives exist in the organization they are not sufficiently designed to directly support individual performance. Dimensions such as inquiry and dialogue, embedded systems and strategic leadership for learning emerged as particularly influential, especially the inquiry and dialogue dimension has highlighted the importance of understanding to work with mental models and committing to creating the field of dialogue in the workplace to have employees perform better. Team learning dimension and connecting the organization to the environment were found moderate enablers of individual employees performance and continuous learning dimension had weak effects.

5.2 Conclusion

Diagnosing the commercial bank of Ethiopia (CBE) using the dimension of the learning organization questionnaire (DLOQ) has provided evidence to the conclusion that dimensions are strongly present and CBE is considered a learning organization. The PLS-SEM analysis has provided strong empirical support that building a learning organization is a viable strategy to enhance employee performance. The findings demonstrate that the learning organization dimensions possess a strong combined explanatory power as a learning culture on the dependent variable which is individual employee's performance. R^2 value was calculated to be 0.768 which means 76.8 % of the variance in employee performance is explained by the dimensions of the learning organization based on the structural model employed. Adjusted R^2 was found 0.764 indicating that the model is not inflated by the number of predictors included. Overall, the results confirm that the learning organization framework proposed by Watkins and Marsick (2003) is found to be relevant in explaining variations in individual employee's performance. Inquire and dialogue dimension showed the strongest positive effect (β=0.286, $p < 0.001$), followed by strategic leadership for learning (β=0.223, $p < 0.001$) and embedded systems (β=0.217, $p < 0.001$). In addition systems connection (β=0.190, $p <0.001$) and team learning (β=0.190, $p < 0.001$) exhibited moderate but positive and statistically significant effects. The continuous learning dimension demonstrated a positive but weaker effect on employee performance (β=0.136, $p < 0.001$). However the empowerment toward a collective vision dimension did not show a statistically significant direct effect on employee performance (β= 0.05, $p = 0.126$). The f^2 statistics provided valuable insight to the none zero effects of the dimension and most exogenous variables were observed to have weak effects. The empowerment to a shared vision has results close to zero and is considered to have no effect on employee performance. The other five dimensions falling between the range 0.059 -0.147 are shown to contribute a small effect and minor practical relevance to individual employee's performance. The inquire and dialogue dimension has the highest effect on the endogenous variable with f^2 value of 0.261 which is moderate effect. The predictive power of the model (R^2) and individual effects of the constructs (f^2) show that the dimensions work together to explain large portion of employee performance and their weak effect sizes should be analyzed in relation to the research objective and model used which tried to analyze the direct effects of the learning organization dimensions on employee performance. Overall, the findings of this research confirm that the dimensions of the learning organization are potent predictor of employee performance in the bank.

5.3 Recommendations

The study has confirmed that commercial bank of Ethiopia has invested and is committed to have its employees predisposed to learning so that they can perform better in the demanding and highly competitive current banking industry in the country and based on the findings the researcher is inclined to give the following recommendations;

- Since the bank has established the necessary foundation to become a learning organization as is witnessed from the descriptive statistics of the research findings, it should explicitly indicate its learning strategy and make its learning culture embed deep in the organizational values and strategize learning to enhance employee performance.
- The dimensions that have small effects on individual employees require revision of operational guidelines to have them reestablish their effects on people in the work place especially the continuous learning dimension requires observation and emphasis should be given to examine on job trainings and knowledge sharing conducts in workplace.
- In addition to its efforts in financial compensation and dressing of employees the organization should actively motivate employees to be engaged in continuous learning. Moreover, environmental connection should be assessed and strategic alliance should be maintained with academia for lasting and perpetual value creation through learning.
- Finally the bank's vision "to become a world class commercial bank financially driving Ethiopia's future" is made to be precisely inclusive and resonate strongly with employees, as contributing to national economic development is a shared aspiration hardly opposed by anyone. The weak influence of the dimension "empower people toward a collective vision" on employee performance indicates presence of gaps and management should focus on leveraging the shared national objective by explicitly tying learning and performance expectations to the broader goal of national development.

5.4 Limitations of the study

- Among the first limitations of this study is the missing elephant that is the relationship of digital world that comprises of websites, mobile apps, social media and AI (Artificial intelligence) and learning. Several utilities of the items in relation to learning organization has been addressed by researchers such as Roth & Niemi, (1996) and so future researches in our context should address this perspective.
- The study focused on direct relationships between learning organization dimensions and individual employees performance hence potential mediating or moderating variables such as employee motivation or individual differences in learning capability were not included hence future researches are encouraged to integrate such factors to achieve comprehensive understanding of the learning organization and employee performance.
- The weak effects of the dimensions could be considered to relate with the model employed in the study therefore tests should be made with different theoretical backings present and system, team and individual impacts should be observed separately.

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Appendices

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

PROGRAM OF BUSINESS ADMINISTRATION

Questionnaire to be filled in by staff of CBE:

This is a research study on the effects of learning organization dimensions on employee performance focusing on commercial bank of Ethiopia as part of an academic work and the purpose of this questionnaire is to gather your valuable insights on the issue specified above.

Your participation is very important and will contribute to the success of this study. The information you provide will be used strictly for academic purposes. Please note that your responses will remain **confidential and anonymous**, and no individual respondent will be identified in the report.

Instructions: -

- ✓ No need to write your name.
- ✓ Put the (√) mark in the box for your answer.

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION

I. Demographic Data

1. Gender	1.Male ☐	2. Female ☐		
2. Age	1.20-30 ☐	2. 31-40 ☐	3. 41-50 ☐	4. above 51 ☐
3. Educational level	1.BA/BSC ☐	2.MA/MSC ☐	3. PhD ☐	4.Others. ☐
4. How long have you worked in CBE?	1. less than 2 years ☐	2.2-5 years ☐	**3.**6-10 years ☐	4.above 10 years ☐

II. DLOQ (Dimensions of the Learning Organization Questionnaire)

In this questionnaire you are asked to think about how your organization supports and uses learning at an individual, team and organizational level. From this data, you and your organization will be able to identify the strengths you can continue to build on and the areas of greatest strategic leverage for development toward becoming a learning organization.

Please respond to each of the following items by placing this "√" mark on the box of your preferred answer indicating if it is 1. Almost always true 2. Frequently 3. Often 4. Sometimes 5. Seldom and 6. Almost never.

No	**Item**	**1**	**2**	**3**	**4**	**5**	**6**
	Continuous learning						
1	In my organization, people openly discuss mistakes in order to learn from them.						
2	In my organization, people identify skills they need for future work tasks.						
3	In my organization, people help each other learn.						
4	In my organization, people can get money and other resources to support their learning.						
5	In my organization, people are given time to support learning.						

☐

6	In my organization, people view problems in their work as an opportunity to learn.						
7	In my organization, people are rewarded for learning.						
	Promote inquiry and dialogue						
1	In my organization, people give open and honest feedback to each other.						
2	In my organization, people listen to others' views before speaking.						
3	In my organization, people are encouraged to ask "why" regardless of rank.						
4	In my organization, whenever people state their view, they also ask what others think.						
5	In my organization, people treat each other with respect.						
6	In my organization, people spend time building trust with each other.						
	Encourage collaboration and team learning						
1	In my organization, teams/groups have the freedom to adapt their goals as needed.						
2	In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences.						
3	In my organization, teams/groups focus both on the group's task and on how well the group is working.						
4	In my organization, teams/groups revise their thinking as a result of group discussions or information collected.						
5	In my organization, teams/groups are rewarded for their achievements as a team/group.						
6	In my organization, teams/groups are confident that the organization will act on their recommendations.						
	Create systems to capture and share learning						

1	My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meetings.						
2	My organization enables people to get needed information at any time quickly and easily.						
3	My organization maintains an up-to-date database of employee skills.						
4	My organization creates systems to measure gaps between current and expected performance.						
5	My organization makes its lessons learned available to all employees.						
6	My organization measures the results of the time and resources spent on training.						
	Empower people toward a collective vision						
1	My organization recognizes people for taking initiative.						
2	My organization gives people choices in their work assignments.						
3	My organization invites people to contribute to the organization's vision.						
4	My organization gives people control over the resources they need to accomplish their work.						
5	My organization supports employees who take calculated risks.						
6	My organization builds alignment of visions across different levels and work groups.						
	Connect the organization to its environment						
1	My organization helps employees balance work and family.						
2	My organization encourages people to think from a global perspective.						
3	My organization encourages everyone to bring the customers' views into the decision-making process.						
4	My organization considers the impact of decisions on employee morale.						

5	My organization works together with the outside community to meet mutual needs.						
6	My organization encourages people to get answers from across the organization when solving problems.						
	Provide strategic leadership for learning						
1	In my organization, leaders generally support requests for learning opportunities and training.						
2	In my organization, leaders share up-to-date information with employees about competitors, industry trends, and organizational directions.						
3	In my organization, leaders empower others to help carry out the organization's vision.						
4	In my organization, leaders mentor and coach those they lead.						
5	In my organization, leaders continually look for opportunities to learn.						
6	In my organization, leaders ensure that the organization's actions are consistent with its values.						

III. IWPQ (Individual work performance questionnaire)

The following questions relate to how you carried out your work during the past 3 months. In order to get an accurate picture of your conduct at work, it is important that you complete the questionnaire as carefully and honestly as possible. If you are uncertain about how to answer a particular question, please give the best possible answer. The questionnaire will take about 5 minutes to complete.

Please respond to each of the following items by placing this "√" mark on the box of your preferred answer indicating if it is 1. Always 2. Often 3. regularly 4. Sometimes and 5. seldom

No	Item	1	2	3	4	5
	Task performance In the past three months,					

1	I was able to plan my work so that I finished it on time					
2	I kept in mind the work result I needed to achieve.					
3	I was able to set priorities.					
4	I was able to carry out my work efficiently.					
5	I managed my time well.					
	Contextual performance In the past three months,					
1	On my own initiative, I started new tasks when my old tasks were completed.					
2	I took on challenging tasks when they were available.					
3	I worked on keeping my job-related knowledge up to date.					
4	I worked on keeping my work skills up to date.					
5	I came up with creative solutions for new problems.					
6	I took on extra responsibilities.					
7	I continually sought new challenges in my work.					
8	I actively participated in meetings and/or consultations.					
	Counterproductive work behavior In the past three months,					
1	I complained about minor work-related issues at work.					
2	I made problems at work bigger than they were.					
3	I focused on the negative aspects of situations at work instead of the positive aspects.					
4	I talked to colleagues about the negative aspects of my work.					
5	I talked to people outside the organization about the negative aspects of my work.					