

**The Effect of Organizational Culture on
Employee Performance: the Case of
BerhanInternational Bank s.c.**



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DECLARATION

I, Hana Atfraw, declare that the thesis entitled “**The Effect of Organizational Culture on Employee Performance; The Case Of Berhan International Bank s.c**” is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **Dr. WubshetBekalu**. Any other contributors or sources used for the study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

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STATEMENT OF CERTIFICATION

This is to certify that Hana Atfraw's research work on the topic entitled "The effect of Organizational Culture on Employee Performance: The Case of Berhan International Bank s.c." is her original work and suitable for submission for the award of Masters Degree in Human Resource Management.

This project paper has been submitted for examination with my approval as a university advisor.

WubshetBekalu (Ph.D)
(Advisor)
June, 2019

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
GRADUATE PROGRAM UNIT**



**THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE
THE CASE OF BERHAN INTERNATIONAL BANK s.c.**

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ABSTRACT

The objective of this study was to investigate the effect of four organizational culture traits namely, involvement, consistency, adaptability and mission on employee performance in Berhan International Bank s.c. Based on the work of Denison on organization culture traits, a structured questionnaire was developed and self-administered to employees of Berhan International Bank s.c to collect explanatory data. Since the research is descriptive in nature quantitative method was used. A total of 161 employees participated in the study and the data's were analyzed using descriptive and inferential statistics. The results show that the four traits measuring organizational culture were all positively related with employee's performance within the range of $r=0.634$ to $r=0.738$. Moreover, adaptability is the most contributing organizational culture traits in the prediction of employee performance with beta value .376. The other three organizational culture traits, in their descending order of standardized coefficients are involvement, mission and consistency. Furthermore, statistically significant of the four organizational culture traits: adaptability and involvement indicate that there is significant relationship with employees' performance. However, consistency and mission doesn't have significant effect on employee performance as it is explained by significance level $p>0.05$. The implications of the findings were discussed and recommendations made. From the study organizational culture has positive relation with employee performance. Having this the organization should do a frequent cultural audit so that to perform better and be competitive.

Keywords: Organizational culture, involvement, consistency, adaptability, mission, and employee performance

CHAPTER ONE

INTRODUCTION

This chapter of the paper consists of background of the study, organizational profile, statement of the problem, research question, the research objective, scope, significance, definition of terms and organization of the study.

1.1 Background of the Study

Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the "rules of the game" for decision-making, structure and power. It's based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business and the organizational survival tactics that facilitate assimilation and personal success (Dave H. and Jeanne Urich, 2011). With a strong organizational culture, employees do things because they believe it's the right thing to do and feel they'll be rewarded for their actions. Organizational culture can be treated as a series of distinctive characteristics of a specific organization. Some modern definitions of organizational culture are dynamic, directed at creativity, innovations and entrepreneurship. Organizational culture includes; a system of ideas and concepts, customs, traditions, procedures and habits for functioning in a specific macro culture (Harris P. R, R.T Moran, 1981). Organizational culture is a series of values, standards and beliefs (Handy C.B, 1986). Organizational culture is implicit, invisible, intrinsic and informal awareness of the organization which directs behavior of individuals and which results from their behavior (Scholz Z 1987).

In understanding organizational culture it is very important to know all its elements. Authors are not unanimous about what are the elements of the organizational culture. According to

(Armstrong, Žugaj, Cingula, 1992) there are four important elements of organizational culture. These are; organization value, organization climate, Leadership style, work processes and system. The culture of an organization refers to the behavior patterns and standards that bind it together Schein (2004).

Generally, behavior patterns are most strongly influenced by the leaders of the organization. The words and actions of the quality control and production managers reflect the values and beliefs of senior management. Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization M.Heathfield, (2009). According to Cascio (2006) performance is the degree of an achievement to which an employee's fulfill the organizational mission at workplace.

Organizational culture is pervasive and powerful. For the organizations, companies and business it is either a force for change or a definite barrier to it. For the employees, it is either the glue that bonds people to an organization or what drives them away. Organizations, today, are increasingly challenged with changing their organization's culture to support ways of accomplishing work. Organizational culture plays a very significant role in an organization. It is a well recognized measure which helps in understanding the organization's professed stability for the employee's incentive, encouragement and contentment with their job.

1.2 Organizational profile

Berhan International Bank s.c. was formed in accordance with article 304 of the commercial code of Ethiopia with the objective of operating in the banking industry. This objective has been insured in article 3 of the memorandum of association of the company. The bank was registered

and licensed by the national bank of Ethiopia on 27 June 2009 with an authorized capital of 300 million birr. Having been registered and licensed by the national bank of Ethiopia on 27th June, 2009, Berhan International Bank s.c got its start in 2009. With the branch network of 185 as at 31st October 2018, headquartered in bole, Addis Ababa. Its vision is to be a radiant and trustworthy bank in excellence. It also has a value of quality service for customers with high ethical standard and confidentiality. Corporate social responsibility is also one of the values of Berhan bank along with innovative and learning organization. The bank operates in virtually all regional cities and in their respective major towns. Berhan bank has 3,378 employees and serves more than 582,122 customers across the nation.

With the bank goal to make banking stress free and efficient, it invests in technology and innovations that enable our customers to reach their goals as in saving, investment, business or managing money. In addition the bank offer electronic banking services such as debit cards allowing customers to access their accounts at any ATM machine nationwide, introduce mobile banking with a plan to introduce internet banking and agent banking in the near future.

Beyond local banking service, the bank also partnered with international money transfer companies such as western union, money gram, Ria, Dahabshiil, Transfast, Xpress money, Taran express and world remit.

1.3 Statement of the Problem

It is widely acknowledged in current discussion of organizational performance that managers have to widen an understanding of their cultural settings if their organizations are to perform effectively (Hodgetts&Luthans, 2013; Agwu, 2014). Increased competition, globalization, and alliances have led to a greater need for a performance-based organizational culture. This has

become necessary because organizations are saddled with a lot of management crises that stem from their organizational culture (Agwu, 2014). These problems tend to impede progress toward achieving high employees' performance. A lot of attention has been given to organizational culture and related studies (Ojo, 2010; Omoniyi, Salau, & Fadugba, 2014). Theoretical arguments as well as empirical evidence lend credence to the view that organizational culture is related to employees' performance. However, Ojo (2010) argues that there is no clear conclusion on the exact relationship between organizational culture and employees' performance. Similarly, Ogbonna and Harris (2000) aver that despite many research works done in this area and contributions from various fields, there is no generally acceptable causal relationship between organizational culture and employees' performance. Therefore, more research is needed in understanding and establishing relationship between organizational culture and employees' performance.

Since human resource is a unique resource that an organization have its important to assess how their interaction with the organization affects on their performance. Also in our country, there are only few studies conducted regarding the area of study. Though there are many researches done in the other countries, the fitness of those studies in our country is questionable. Therefore the researcher wants to study what impact organizational culture has on employee performance based on the country culture, norm and other issues especially in the banking industry.

1.4 Research Question

Many factors influence people in organizations, but not all are considered when trying to understand the behavior of people at work, the most frequently overlooked factor is the effect of organizational culture on employees' performance; hence on the basis of the problem discussed above, the research focused on the following research questions:

1. How is organizational culture practiced in Berhan International Bank s.c?
2. What is the level of employee performance in Berhan International Bank s.c?
3. What is the relationship between organizational culture and employee performance?
4. How is culture affecting employee performance in Berhan International Bank s.c?

1.5 Research Objective

1.5.1 General Objective

The general objective of the research is to assess the impact of organizational culture on employee's performance in the case of BerhanInternational Bank s.c.

1.5.2 Specific objective

- To assess organizational culture practice in Berhan International Bank s.c.
- To assess the level of performance in Berhan International Bank s.c.
- To explore the relationship between performance and organizational culture.
- To evaluate how employee performance is affected by organizational culture.

1.6 Assumption

In this research work organizational performance is considered as the aggregator of individual performance.

1.7 Significance of the study

In addition to achieving its general and specific objectives, the study is significant in that, it might give highlight for those who may develop interests to make further study on similar topics. And also it might inform the management of the bank about the existing cultural setting in their

bank and alarms them to take appropriate actions if they need to. And since most of our country banks share some common characteristics, it also helps other bank to take a look in to their corporate culture and act up on it.

1.8 Definition of Terms

Organization: It is defined as a social entity where two or more people are working together cooperatively within identifiable boundaries to accomplish a common goal or objective (Mullins, 2004).

Employee performance: signifies individuals work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues or employers around (Hellriegel, Jackson, & Slocum, 2009)

Organizational culture: comprises the shared set of beliefs, expectations, values, norms and work routines that influence how members of an organization relate to one another and work together to achieve organizational goal (Jones and George, 2006).

1.9 Organization of the Paper

The study is organized in five chapters. The first chapter dealt with introduction, background of the study, organizational profile, statement of the problem, research question, objectives, scope, and significance of the study and definition of terms.

The second chapter covers review of related literature. In this chapter the theoretical framework, empirical review and conceptual framework are included. Chapter three is about the

methodology of the study. Mainly the research design, target and sample size are discussed. Whereas chapter four covers the descriptive analysis and interpretation part. The summary of findings, conclusion and recommendation are discussed in the last chapter, chapter five.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

Theoretical Framework

This chapter of the paper covers the concepts and definition of organizational culture. The theoretical, empirical and conceptual frameworks are also covered.

2.1 Organizational Culture

Many organizations focus on their performance using different physical measurements. For example employee performance, output level of machines, office layout and some others. But organizations also rely heavily on their organizational culture as an important tool in controlling and coordinating the activities of their members. This organizational culture is not seen or measured or expressed in numbers. Rather it is a shared norm and value that grows in the organization by its members having different backgrounds. In most organizations the term organizational culture is simply “how we do things around here”. There are many different organizational culture definitions given by many scholars, researchers and authors.

According to Dave H. and Jeanne Urich, 2011 Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the "rules of the game" for decision-making, structure and power. It's based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business here and the organizational survival tactics that facilitate assimilation and personal success.

From this definition, if there is a strong organizational culture, employees do things because they believe it's the right thing to do and feel they'll be rewarded for their actions.

Scholz Z (1987) defines organizational culture as implicit, invisible, intrinsic and informal awareness of the organization which directs behavior of individuals and which results from their behavior.

Organizational culture is the way that things are done in an organization; it is the unwritten rules that influence individual and group behavior and attitudes. Factors which can influence organizational culture include: the organization's structure, the system and processes by which work is carried out, the behavior and attitudes of employees, the organization's values and traditions, and the management and leadership styles adopted.

These factors keep the employees stick to the organization or drive away from it which affects the organization performance as a whole.

2.2 Significance of Organizational Culture

An organizations culture may one of its stronger assets or its biggest liability. In fact, it has been argued that organizations that have a rare and hard to imitate culture enjoy a competitive advantage. Culture or shared values within the organization may be related to increase performance. It is important to have a culture that fits with the demands of the companys environment. To the extent that shared values are proper for the company question, company performance may be benefited from culture. For example, if a company is in the high tech industry, having a culture that encourages innovation and adaptability will support its performance.

Organizational culture is an effective control mechanism dictating employee behavior. Culture is a more powerful way of controlling and managing employee behaviors than organizational rules and regulations.

Culture represents the “social glue” and generates a “we feeling”, thus counter acting processes of differentiations that are an unavoidable part of organizational life. Organizational culture offers a shared system of meaning which is the basis for communications and mutual understanding. If these functions are not fulfilled in a satisfactory way, culture may significantly reduce the efficiency of an organization Furnham and Gunter (1993).

2.3 The Components of Culture

Organizational culture can be described in terms of values, norms, artifacts and management style.

Values

Values are beliefs in what is best or good for the organization and what should or ought to happen. The value set of an organization may only be recognized at top level, or it may be shared throughout the business, in which case it could be described as value driven.

The stronger the value the more they will influence behavior. This does not depend upon their having been articulated. Implicit values that are deeply embedded in the culture of an organization and are reinforced by the behavior of management can be highly

Influential, while espoused values that are idealistic and are not reflected in managerial behavior may have little or no effect. When values are acted on they are called ‘values in use’.

Areas in which values may be expressed – explicitly or implicitly

- Care and consideration for people
- Competence
- Competitiveness
- Innovation

- Performance
- Quality and
- Teamwork

Values are translated into reality through norms and artifacts. They may also be expressed through the media of language (organizational jargon), rituals, stories and myths.

Norms

Norms are the unwritten rules of behavior, the ‘rules of game’ that provide informal guidelines on how to behave. Norms tell people what they are supposed to be doing, saying, believing, and even wearing. They are never expressed in writing – if they were, they would be policies or procedures. They are passed on by word of mouth or behavior and can be enforced by the reactions of people if they are violated. They can exert very powerful pressure on behavior because of these reactions we control others by the way we react to them.

Typical norm examples

- ✓ How managers treat the members of their teams (management style) and how the latter relate to their managers.
- ✓ Status – how much importance is attached to it; the existence or lack of obvious status symbols.
- ✓ Ambition – naked ambition is expected and approved of, or a more subtle approach is the norm.
- ✓ Performance – exacting performance standards are general, the highest praise that can be given in the organization is to be referred to as ‘very professional’.

Artifacts

Artifacts are the visible and the tangible aspects of an organization that people hear, see or feel and which contributes to their understanding of the organizations culture. Artifacts can include such things as the working environment, the tone and language used in e-mails, letters or memoranda, the manner in which people address each other at meetings, in e-mails or over the telephone, the welcome (or lack of welcome) given to visitors and the way in which telephonists deal with outside calls. Artifacts can be very revealing.

Management style

Management style is the approach managers use to deal with people. It is also called as 'leadership style'. Most managers adopt an approach somewhere between the extremes. Some will vary it according to the situation or their feelings at the time; other will stick to the same style whatever happens. Every manager has his or her own style but this will be influenced by the organizational culture, which may produce a prevailing management style that represents the behavioral norm for managers that is generally expected and adopted.

2.4 Levels of Organizational Culture

Organizational culture consists of some aspects that are relatively more visible, as well as aspects that may lie below ones conscious awareness. Organizational culture can be thought of as consisting three interrelated levels.

At the deepest level lie basic assumptions. These assumptions are taken for granted and reflect beliefs about human nature and reality. At second level, values exist. Values are shared principles, standards and goals. Finally at the surface we have artifacts or visible, tangible aspects of organizational culture.

2.5 Models of Organizational Culture

Different researchers develop models on organizational culture which incorporate different traits or behaviors driven by beliefs and assumptions that create an organizational culture. Dolan and Lingham (2012) have summarized some of the principal organizational culture models as Deal and Kennedy Model, Charles Handy Concept and Edgar Schein Model. In addition to the three models, a detail on Denison model of organization culture is also part of this section. Common to all model of culture and the linkages to organizational success assert that values of employees need to be aligned with vision and mission of the company.

Deal and Kennedy Model

Dolan and Lingham (2012) tried to summarize the model as follows. The model measured organization in respect of feedback or instant response accordingly four classification of organizational culture were developed. These are Tough-Guy Macho Culture, Work Hard / Play Hard Culture, Bet your Company Culture & Process Culture.

The first Tough-Guy Macho Culture where by feedback is quick and the rewards are high. This often applies to fast moving financial activities such as brokerage and it is very stressful culture in which to operate. Secondly, The Work Hard / Play Hard Culture is characterized by few risks being taken, all with rapid feedback. This is typical in large organizations, which strive for high quality customer service. Thirdly, Bet your Company Culture in which big stakes decisions are taken, but it may be years before the results are known. Typically, these might involve development or exploration projects, which take years to come to completion, such as oil prospecting or military aviation. Fourthly, Process Culture which occurs in organizations where

there is little or no feedback. People become suspicious with how things are done not with what is to be achieved. This is often associated with bureaucracies.

Charles Handy Concept

The second model that Dolan and Lingham (2012) discussed in detail is Charles Handy Model. Organizational structure is the base for this model to classify organizational culture in to four: Power Culture, Role Culture, Task Culture and Person Culture.

- A Power Culture in which power concentrates among a few and control radiate from the center like a web. Power Cultures have few rules and little bureaucracy
- A Role Culture characterized by people has clearly delegated authorities within a highly defined structure. Typically, these organizations form hierarchical bureaucracies thus, power derives from a person's position and little scope exists for expert power.
- A Task Culture in which teams are formed to solve particular problems. Power derives from expertise as long as a team requires expertise. These cultures often feature the multiple reporting lines of a matrix structure.
- A Person Culture exists where all individuals believe themselves superior to the organization. Survival can become difficult for such organizations, since the concept of an organization suggests that a group of like-minded individuals pursue the organizational goals.

Edgar Schein Model

The organizational culture model that Dolan and Lingham (2012) tried to summarize is Edgar Schein Model. This organizational culture model is described by three cognitive levels of

organizational culture. At the first and most cursory level of Schein's model is organizational attributes that can be seen, felt and heard by the uninitiated observer. These includes facilities, offices, furnishings, visible awards and recognition, the way that its members dress, and how each person visibly interacts with each other and with organizational outsiders.

The next level deals with the perceived culture of an organization's members. At this level, company slogans, mission statements and other operational belief are often expressed, and local and personal values are widely expressed within the organization. Finally, the third and deepest level depicts the organization's tacit assumptions. These are the elements of culture that are unseen and not cognitively identified in everyday interactions between organizational members. Many of these „unspoken rules' exist without the conscious knowledge of the membership. The above three models encompasses organizational culture traits from psychological or personality perspective and mainly the third is designed and created within the academic environment which uses non-business language. To the contrary, Denison organizational culture model, which is discussed in the subsequent paragraphs, is behaviorally based that are designed and created within the business environment. And it is applicable to all levels of the organization in which business language is used to examine business results.

Denison Model

Denison and Neale (2011) identifies four cultural traits Involvement, Consistency, Adaptability and Mission. These underlying traits are expressed in terms of a set of managerial practices and measured using the twelve indices that make up the model. (Denison & Neale, 2011). The below succeeding paragraphs briefly discuss each of the four organizational culture traits and their respective indices.

Involvement

Involvement is the first organizational trait which ensures the participation of employees in decision making; it also relies on team effort to get work done and continual investment in the development of employee's skills.

In other words, involvement is building human capability, ownership, and responsibility. Thus, organizational cultures characterized as "highly involved" strongly encourage employee involvement, and create a sense of ownership and responsibility. They rely on informal, voluntary, and implied control systems, rather than formal, explicit, bureaucratic control systems.

Consistency

Consistency is the second trait which emphasizes on maintenance of the status quo by being well coordinated and well integrated also the organization devises clear agreement about the right way and the wrong way to do things.

Furthermore, consistency deals with defining the values and systems that are the basis of a strong culture. It also provides a central source of integration, coordination and control. Consistent organizations develop a mindset and a set of organizational systems that create an internal system of governance based on consensual support also has clear set of do's and don'ts.

Coordination and integration, agreement and core values are indices of the consistency trait. Accordingly, coordination and integration clarify ability of different functions and units of the organization to work together well to achieve common goals. Organizational boundaries do not interfere with getting work done. The second indices is agreement in which is underlying level of agreement and the ability to reconcile differences when they occur. The last one core values

stress in which members of the organization share a set of values that create a sense of identity and a clear set of expectations.

Adaptability

The third trait, adaptability, depicts the ability of the organization in translating the demands of the business environment into action through creating change, customer focus and organizational learning environment.

Adaptability deals with translating the demands of the business environment into action. Organizations hold a system of norms and beliefs that support the organization's capacity to receive, interpret, and translate signals from its environment into internal behavioral changes that increase its chances for survival, growth and development.

The indices of the adaptability trait are: creating change, customer focus and organizational learning. Creating change deals with the ability of organization to create adaptive ways to meet changing needs. So organization will be able to read the business environment, quickly react to current trends, and anticipate future changes. Customer focus is the second indices which focus on the organization understanding and reaction to its customer and anticipation to future needs. Lastly, organizational learning reflected when on organization receives, translates, and interprets signals from the environment into opportunities for encouraging innovation, gaining knowledge and developing capabilities.

Mission

The last trait is mission whereby organizations devise meaningful long-term direction and organization with this trait clearly defines Strategic direction, Vision, Goals and Objectives of

the company. Mission involves defining a meaningful long-term direction for the organization. A mission provides purpose and meaning by defining a social role and external goals for the organization. It provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. A sense of mission allows an organization to shape current behavior by envisioning a desired future state.

Strategic direction, vision and intent, goals and objectives are the indices of the mission trait. Thus, strategic direction and intent deals with clear strategic intentions convey the organization's purpose and make it clear how everyone can contribute. The second indices, goals and objectives, stress on a clear set of goals and objectives can be linked to the mission, vision, and strategy, and provide everyone with a clear direction in their work. Finally, vision ensures that organization has a shared view of a desired future state. It embodies core values and captures the hearts and minds of the organization's people, while providing guidance and direction.

2.6 Employee Performance

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

Employees are performing different jobs in an organization depending upon the nature of the organization. They mainly perform tasks like production, storage, manufacturing, transportation, marketing, accounting, human resource, research and public relations. All these activities are interrelated to achieve the targets. Various factors like skill, training, motivation, dedication, welfare, management policies, salary and packages, promotion, communication, organizational culture are responsible to encourage the people to work sincerely and give their best output. The

importance of employee's performance must be understood by the management and sincere efforts must be put in that direction.

2.6.1 Factors Affecting Employee Performance

According to some researchers and practitioners, there are certain factors individually and collectively effect on the performance of employees in a positive ornegative way.

Leadership

Leadership is a process whereby an individual influences a group of individuals to achieve common goals (Northouse, 2007). Leadership style is the combination of attitude and behavior of a leader, which leads to certain patterns in dealing with the followers (Dubrin, 2004). The leadership style within an organization has a bearing on encouraging or inhibiting employee's performance (Armstrong & Murlis 2004; Cronje et al 2001).

Coaching

Coaching has become an important technique to improve performance (Champathes, 2006). It is not a one way communication and proves to be a two way communications where coaches identify what can be improved and how it can be improved. Further coaching addresses the belief and behaviors that hinderperformance (Toit, 2007). It can be further seen that coaching is all about helping someone else to improve performance (Starr, 2004).

Empowerment

Duvall (1999) defines success as achievement, accomplishment and attainment which is consequence of empowerment as follows: (1) Individual success in form of employee's role performance, (2) Organizational success which is achieved as members of the organization accomplish collective organizational goals and objectives, and (3) As organizational members share a mutually beneficial and satisfying work experience meeting both social and personal

growth needs. Further, empowerment had significant positive correlations with both performance and satisfaction (Bartram and Casimir, 2007). And specifically empowerment was more strongly correlated with the in-role performance of followers than with satisfaction with the leader.

Participation

In Chen and Tjosvold research 2006, they revealed that participation management is about involving employees in the decision making process where the employees feel that they have the opportunity to discuss problems and can influence organizational decisions. Employee will be motivated because management considers them as partners in contributing to organizational success instead of being seen as mere subordinates and therefore will avoid engaging into counterproductive behaviors hence improved performance through timely achievement of organizational goals and objectives (Carrel, Kuzmits & Elbert, 1989).

Organizational Culture

Organizational Culture is common values and behaviors of the people that considered as a tool leads to the successful achievement of organization goals (Schein, 1990). Strong culture in the organization is very helpful to enhance the performance of the employees that leads to the goal achievement and increase the overall performance of the organization (Deal and Kennedy, 1982). According to the Stewart (2010), norms and values of organizational culture highly effect on those who are directly or indirectly involved with the organization. These norms are invisible but have a great impact on the performance of employees and profitability. The most important characteristic is shared value. A strong organizational culture supports adaptation and develops organization's employee performance by motivating employees toward a shared goal and objective and finally shaping and channeling employees' behavior to that specific direction should be at the top of operational and functional strategies (Daft, 1984). Shared value of

employees is one of the basic components of organizational culture (Smit and Cronje, 1992; Hellriegel, 1998). Schein (1994) clarifies that value which is a set of social norms that define the rules or framework for social interaction and communication behaviors of society's members, is a reflection of causal culture assumptions. Academics and practitioners argue that the performance of an organization is dependent on the degree to which the values of the culture are widely shared (Peters and Waterman, 1982). Similarly, it is widely argued that shared and strongly held values enable management to predict employee reactions to certain strategic options and by reducing these values, the consequences may be undesirable (Ogbonna, 1993).

2.7 The Impact of Organizational Culture on Employee Performance

Early studies have indicated that there exists a relationship between organizational culture and employee performance. Organizational culture is inherently connected to organizational practice; therefore employee performance is conditional on organizational culture. According to Hellriegel and Slocum (2009), organizational culture can enhance performance in a large scale. According to them, the culture of an organization allows the employees to be acquainted with both the firm's history as well as current methods of operation and this specific direction endows the employees with guidance about expected and accepted future organizational behaviours and norms. Furnham and Gunter (1993), states that organizational culture functions as the internal integration and coordination between firm's operations and its employees. Internal integration has to do with the societal interaction of new members with the existing ones, creating boundaries of the organization feelings of identity among personal and commitment to the organization. A strong organizational culture supports adaptation and develops employee performance by motivating employees towards a shared goal and objective, and finally shaping

and channeling employees' behavior to that specific direction. Although, there are certain parameters that are taken into consideration to understand the impact of organizational culture on employee performance, which includes: employee participation, innovation and risk-taking, reward systems, openness to communication, customer service orientation. An organizational culture that supports these factors motivates the employees to put more effort in their jobs, which helps increase their performance level. Some theoretical model asserts that the effective human resource system of an organization based on supporting values creates a positive impact on employee attitude and behavior, which facilitates their performance.

Furthermore, the type of organizational culture created in an organization determines the impact it can have on employee performance. It can have either a negative or a positive impact. For instance, an organizational culture where employees are considered an integral part of the growth process of the organization fosters employee performance. This is so because the employees align their goals and objectives with those of the organization and feel responsible for the overall well being of the organization. As their efforts are in turn appreciated by the management and suitable rewards are given, they perform effectively and efficiently. In such organizational culture, the employees are committed to achieving their goals and thus it has a positive effect on the overall performance of the organization. Organizational culture to a large extent determines the performance of employees. Therefore, it is in the interest of organizations to eliminate negative factors that slow down employee performance in order to foster a positive work place environment or a positive organizational culture.

2.8 Empirical Studies

Various related studies are conducted by different researchers in different parts of the world. However, there are limited numbers of studies conducted in Ethiopia on the Impact of organizational culture on employee performance.

Evelyn Umemezia (2017) conducted a research on organization culture and employee performance in Nigerian banking sector. The research made use of leadership styles, employeetraining, work process, and employee commitment as the dimensions of organizational culture. The study analyzed primary data from fieldsurvey using the questionnaire instrument. Collected data were analyzed using SPSS 22.0 by running both descriptive and inferential statistics.

Findings from the study revealed that there is a high level of organizational culture practices in the Nigerian banking sector. Organizational culture dimensions all had positive effects on employee's performance. Thus, the study recommended that firms should adopt organizational culture that best enhances employeeperformance.

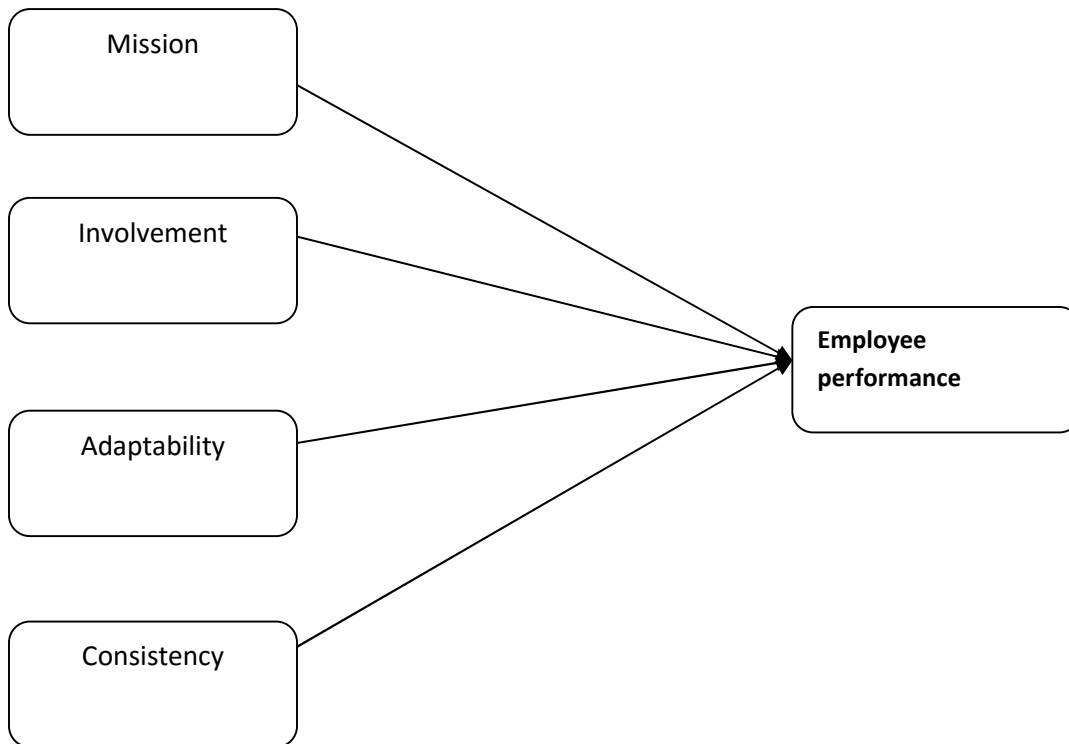
EkpenyongNkereuwem Stephen (2016) has also conducted a research on organizational culture and its impact on employee performance. The data was analyzed using simple percentage, tables and chi square was used in testing the hypotheses formulated to guide the research. From the findings, it was observed that majority of the respondents' agree that organizational culture does have an impact on performance of employees. It was also discovered that the type of organizational culture practiced in an organization can also determine the level of employee performance. An organization that practices either a clan or support culture tends to experience

high performance and satisfaction levels; this type of culture encourages employees to be innovative and also supports socialization and teamwork.

Another research conducted on organizational culture on employee performance is by Bethelhem H/Gebriel (2017). She conducted the research on JSI Research and Training Institute, Inc., one of the international non-government organizations, Ethiopia. Both inferential and descriptive analyses are used to see the relationship and effect of independent variables on dependent variable. Based on the analysis, there is a positive and significant relationship between the three variables of organizational culture and employee performance.

2.9 Conceptual Framework

Though there are different models and frameworks for organizational culture, I preferred to take the Denison's organizational culture model. The reasons for adoption of this model as a conceptual framework are as follows: The basis of the model is that it tests the behavior of group, it is applicable to all of the hierarchy levels from viewpoint of the measuring indices and measurement of organizational culture dimensions, it is a detailed model. This model has a direct impact on organizational culture and provides a novel framework over the other organizational culture models and lastly the Denison's model has been extensively employed by various organizations in other countries in order to diagnosis organizational culture.



Independent variable
(Organizational Culture)

Dependent variable

Source: Developed by Denison and Neale and modified by the researcher.

Research Hypothesis

Based on the literature review and the hypothesized connections presented in the conceptual framework the following hypotheses were tested:

- **H₁**: There is significant relationship between employees' **involvement** in decision making and employees' performance.
- H₀**: There is no significant relationship between employees' **involvement** in decision making and employees' performance.
- **H₁**: There is significant relationship between **Consistency** and employees' performance.

H₀: There is no significant relationship between **Consistency** and employees' performance.

- **H₁**: There is significant relationship between **adaptability** and employees' performance.

H₀: There is no significant relationship between **adaptability** and employees' performance.

- **H₁**: There is significant relationship between employees' identification with organizational **mission** and employees' performance.

H₀: There is no significant relationship between employees' identification with organizational **mission** and employees' performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with description of the study area, research design, types and sources of data, study population and sample design, data collection methods, data analysis & presentation, validity and reliability test and ethical consideration. The detail of each issue is presented hereunder.

3.1 Description of the Study Area

This research paper covers the branches of Berhan International Bank s.c located in Addis Ababa, specifically the west district. The researcher selects this district due to the proximity to the researcher; since there is a limited time and resource are available.

3.2 Research Design

According to Zukmund (ND) the purpose of research is interpreting, understanding, criticizing, describing or analyzing information in a knowledge increasing manner. According to Singh (2006), research design is essentially a statement of the object of the inquiry and the strategies for collecting the evidence, analyzing the evidences and reporting the findings. With the view to address its objectives, the study used quantitative method. This research paper is descriptive in nature since its purpose is to identify how organizational culture impact employee performance.

Structured questionnaire was used to collect explanatory data and analyze the impact of organizational culture on employee performance.

And concerning time horizon, the study used a cross-sectional study. Data was collected from employees of Berhan International Bank in a particular time and not for different periods of time.

3.3 Types and Source of Data

The researcher uses both primary and secondary data collection method. Primary data through questionnaire was collected to obtain firsthand information on the specific research questions. And secondary data like policy, procedure, annual reports, and magazine are used to support the facts acquired through primary data.

3.4 Study Population and Sample Design

The bank is organized into five districts. The East and West districts are located in Addis Ababa while the remaining three i.e. Central and western, Northeast and Southwest are located in the countryside. The total workforce in Berhan International Bank s.c is 1,900 in Addis Ababa based on 2017/2018 annual report of the bank. The total sample population for this research purpose was the west district in Addis Ababa with total employees of 400.

Sample Size

The sample size is calculated based on the formula developed by Israel (2009), at +/- 5% level of precision.

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

Where N = total population

E = level of precision or acceptable sampling error (0.05)

n = sample size

$$n = \frac{400}{(1+400(0.05)^2)}$$

$$n = 200$$

3.5 Data Collection Method

Questionnaire

Structured Questionnaire was used in order to reach wide range of respondents so that, to acquire information that examine and explain the relationships between variables. Different organizational theories that have been presented on the literature review were used to develop the questionnaire. The questions were framed using Likert's scale of measurement ranging from strongly agree to strongly disagree (Strongly agree 5, Agree 4, Neutral 3, Disagree 2 and Strongly Disagree 1).

3.6 Data Analysis Tool and Interpretation

The data analysis was made by using both descriptive and statistical regression. Descriptive statistics such as frequencies, percentages, means and standard deviations were used to summarize and present the data. Also, tables were used to increase understanding and facilitate easy comparison of the data collected from the survey. With regard to statistical regression (particularly multiple regression) was used to examine the significance contribution of each independent variable to the dependent variable; organizational performance. Lastly major findings were interpreted based on the result.

3.7 Ethical Considerations

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

3.8 Validity Assurance and Reliability Test

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

Due to the nature of the questionnaire construct, as varying ways were applied for measuring the different variables considered. In this research, the researcher is used questionnaire that their validity and reliability are checked according to the specific topic. The researcher has tested the reliability using Cronbach's Alpha (α) which is an internal consistency test that measures the degree to which the items or measurements consistently measures the underlying construct, the result of the Cronbach's coefficient of reliability test is indicated in the table below.

Organizational Culture Dimension	Cronbach's alpha	N of items
Adaptability	0.88	8
Consistency	0.9	10
Involvement	0.92	13
Mission	0.92	9
Employee Performance	0.9	10

Source: own survey 2019

CHAPTER FOUR

DATA RESULTS AND INTERPRETATIONS

This chapter presents the data analysis and discussion of the research findings obtained from data collected from the survey questionnaire. Responses for the measures on the questionnaire are summarized and presented using tables to facilitate easy understanding.

4.1 Response Rate

Response rate is the total number of respondents who participated in this study. The study has target population of 200 from this only 161 respondents were participated. Having this the researcher believes that the response rate that is 80% represents the population.

Description	Respondents
Target population	200
Questionnaire Distributed	200
Questionnaire Returned	161
Response Rate (%)	80%
Usable Response	161

Table 4.1 Response Rate

4.2 Demographic Characteristics of Respondents

For the purposes of this study, the variables on demographic information are age, sex, level of education, and total years of experience. The result of this demographic presentation is stated below using descriptive statistics analysis.

No	Respondents Characteristics		Frequency	Percentage
1	Age	18-25 years	29	18.0
		26-35 years	104	64.6
		36-45 years	23	14.3
		above 45 years	5	3.1
		Total	161	100
2	Sex	Male	80	49.7
		Female	81	50.3
		Total	161	100
3	Educational Level	Diploma	6	3.7
		BA/BSc	120	74.5
		MA/MSc	34	21.1
		Phd	1	0.6
		Total	161	100
4	Experience	1-2 years	21	13.0
		3-5 years	80	49.7
		6-8 years	47	29.2
		9-10 years	13	8.1
		Total	161	100

Table 4.2 Demographic Characteristics of Respondents

Out of 161 respondents of Berhan International Bank s.employees most of them are in the age of 26-35 years which is 64.6 percent. This indicates that most of Berhan Bank employees are youth. Whereas age that covers from 18-25 years and 36-45 years are 29 and 23 respectively with a mean of 18.0 and 14.3. Only 5 employees are above 45 which have a mean of 3.1.

While the sex construction taken from the sample employees of Berhan International Bank s.c shows that the male and female distribution is almost equivalent with a percentage of 49.7 and 50.3 respectively.

As indicated in the above table most of Berhan International Bank employees are degree holders with a percentage of 74.5.

Since the bank has served only ten years from its establishment, most of the employees have a work experience of 3-5 years which sum up to 49.7 percent.

In general, the respondents characteristics is presented in percentage to show the demographic construction of the bank and to show the sample population will represent the bank and the data found is valid.

4.3 Descriptive Analysis on Selected Organizational Culture Measures

In order to see the general perception of the respondents regarding the selected organizational culture in the subject organization, the researcher has summarized the measures with the respective means and standard deviations. Thus, the mean indicates to what extent the sample group averagely agrees or does not agree with the different statements. The lower the mean, the more the respondents disagree with the statements. The higher the mean, the more the respondents agree with the statement. On the other hand, standard deviation shows the variability of an observed response from a single sample Marczyk, Dematteo and Festinger (2005).

According to Zaidation and Bagheri (2009), the mean score below 3.39 is considered as low, the mean score from 3.40 up to 3.79 is considered as moderate and mean score above 3.8 is considered as high.

No	Variables	Mean	Standard Deviation
1.	Employees believes that they can have a positive impact	3.74	.99
2.	Most employees are engaged in their work	3.7	.96
3.	Information is widely shared so that employees can get the information they need	3.78	.97
4.	Everyone believes that s/he can have a positive impact	3.66	.97
5.	Business planning is ongoing and involves everyone in the process to some degree.	3.77	1.01
	Involvement-Empowerment	3.73	.98
6.	Cooperation across different parts of the organization is encouraged	3.73	.99
7.	Work is organized so that each person can see the relationship between his or her job and the goals of the organization.	3.75	.99
8.	People work like they are part of the team.	3.75	1.04
9.	Teamwork is used to get work done, rather than hierarchy.	3.9	1.09
	Involvement-Team Orientation	3.78	1.02
10.	The capabilities of people are viewed as an important source of capability development	3.83	.999
11.	There is continuous investment in improving the skills of employees.	3.88	1.06
12.	Authority is delegated so that people can act on their own.	3.73	1.07
13.	The capabilities of employees are viewed as an important source of competitive advantage	3.86	1.02
	Involvement-Capability Development	3.82	1.03
	Involvement	3.77	1.01

Table 4.3 the Involvement Cultural Dimension

From the organizational culture measurements involvement is one of them. Respondents agree that involvement has impact on organizational culture with a mean of 3.77.

From the involvement measurements respondents agree on capability development (3.82) especially on “continuous investment in improving the skills of employees”. Regarding team orientation respondents agree on “Teamwork is used to get work done, rather than hierarchy” (3.9). But on empowerment dimension of involvement culture that is “Everyone believes that s/he can have a positive impact” (3.66) respondents agree less in relation with that of the other involvement culture dimension.

No	Description	Mean	Standard Deviation
1.	There is a clear and consistent set of values that governs the way business is done.	3.8	.92
2.	Managers "practice what they preach"	3.8	.93
3.	There is an ethical code that guides behavior and that tells right from wrong.	3.91	1.0
	Consistency-Core Value	3.83	.95
4.	There is a ‘strong culture’ of doing things.	3.77	.91
5.	When disagreements occur, employee work hard to achieve a "win-win" solutions	3.84	.92
6.	There is a clear agreement regarding the right way and the wrong way to do things	3.82	.89
7.	It is easy to reach consensus, even on conflicting issues	3.88	.97
	Consistency-Agreement	3.82	.92
8.	There is a good alignment of goals across levels.	3.8	.98
9.	People from different parts of the organization share a common perspective.	3.84	1.0
10.	Our approach to do business is very consistent & predictable.	3.85	.98
	Consistency-Coordination and Integration	3.83	.98
	Consistency	3.82	.95

Table 4.4 Consistency cultural Dimension

The other organizational culture dimension is consistency. Based on the findings obtained consistency scores a mean of 3.82. This indicates that respondents agree on consistency aspect of organizational culture. Especially on the “There is an ethical code that guides behavior and that tells right from wrong” respondents agree with a mean of 3.91. Also on “There is an ethical code that guides behavior and that tells right from wrong” respondents agree with a mean of 3.88.

In general the consistency dimension has approximately equal value among its three measures which are agreement, core value and coordination and integration.

No	Description	Mean	Sd. Deviation
1.	Improved ways to do work are continually adapted	3.87	.9
2.	Different parts of the organization cooperate to create change	3.74	.95
3.	Berhan bank respond to competitors actions and other changes in the business Environment	3.82	.92
	Adaptability-Creating Change	3.81	.92
4.	Customers comment leads to changes and influences decision making	3.9	.91
5.	Customers inputs directly influences company’s decisions	3.88	.92
	Adaptability-Customer Focus	3.89	.91
6.	Innovations are encouraged	3.81	.98
7.	Learning is an important objective in a day-to-day work of the company	3.83	.99
8.	Berhan bank view failures as an opportunity for learning and improvement	3.71	.89
	Adaptability-Organizational Learning	3.78	.95
	Adaptability	3.82	.92

Table 4.5 Adaptability Dimension of Culture

The third cultural dimension is adaptability with a mean of 3.82. Furthermore, all of the eight items that measures adaptability contributes almost equally to the overall mean. This result indicates the majority of the respondents perceived that the company is translating the demand of business environment and also the demand of internal customer in effect there will be positive effect on level of employee performance to the organization.

No	Description	Mean	Sd. Deviation
1.	Our strategic direction is clear to me.	3.75	1.05
2.	There is clear mission that gives meaning and direction to our work.	3.74	.98
3.	There is a long-term purpose and direction of the company	3.74	1.04
	Mission-Strategic Direction & Intent	3.74	1.02
4.	There is wide spread agreement about goals.	3.5	.85
5.	Leaders set goals that are ambitious, but realistic.	3.53	.94
6.	We continuously track our progress against our stated goals.	3.65	1.01
	Mission-Goals & Objectives	3.56	0.93
7.	Leaders have a long term view point.	3.62	.97
8.	Our vision creates excitement and motivation for our employees.	3.75	1.0
9.	Employees have a shared vision of what the organization will look like in the future	3.73	1.06
	Mission-vision	3.7	1.01
	Mission	3.66	0.98

Table 4.6 Mission Dimension of Culture

The mean score for mission was relatively low (3.66). This indicates that employees give less value and agree with the measure of mission statements.

In general from the four of cultural dimensions respondents agree more on consistency (3.82) and adaptability (3.82) items in equal mean score. Whereas for mission culture (3.66) respondents agree less relatively from the remaining dimensions.

4.4 Descriptive Analysis on Employee Performance

To measure employee performance ten items were included on the survey questionnaire. As depicted on the below table, mean score of 3.84 implies that the responses are mostly incline to agree on performance measures. Specifically, mean score of 4.02 was obtained from statement which inquires the required skill to perform their task and also from the statement “I could manage more responsibilities in my job than typically assigned to me” is obtained a mean score of 4.03.

No	Description	Mean	Sd. Deviation
1.	I rated the quality of my work in the last performance excellent.	3.73	.98
2.	I managed to plan my work so that it was done on time.	3.8	.99
3.	I often expand extra effort in carrying my job.	3.86	1
4.	I have a complete knowledge and understanding of my tasks.	3.8	.98
5.	I always reach my objective set (performance target).	3.79	.96
6.	I review my performance continuously for improvement.	3.77	.96
7.	I have the required skills to perform my task.	4.02	.93
8.	I have the required level of motivation to perform the tasks.	3.83	1.06

9.	I do my job independently.	3.81	1.09
10.	I could manage more responsibilities in my job than typically assigned to me.	4.03	.98
	Employee Performance	3.84	0.99

Table 4.7 Employee Performance

4.5 Correlation Analysis

Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo&Festinger, 2005).

As per Marczyk, Dematteo and Festinger, (2005) correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large. Accordingly, the below Pearson correlation coefficients shows that the four factors measuring organizational culture were all positively related with employees performance within the range of 0.63 to 0.76, all were significant at $p < 0.01$ level. All the independent variables i.e. adaptability, mission, involvement and consistency show a large level of positive relation with the dependent variable (employees performance)

Table 4.8 Correlation Analysis

Pearson Correlation	involment	consistency	adaptability	mission	employee_perfor mance
involment	1				
	161				
	.856**	1			
consistency	.000				
	161	161			
	.841**	.878**	1		
adaptability	.000	.000			
	161	161	161		
	.749**	.716**	.682**	1	
Mission	.000	.000	.000		
	161	161	161	161	
	.738**	.739**	.760**	.634**	1
employee_performance	.000	.000	.000	.000	
	161	161	161	161	161

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

Regarding the relationship among the independent variables, table 4.8 clearly shows that the variables are significantly correlated with each other (sig. level $p < 0.01$). Also as shown in the table all variables have a significant relationship among each other.

Multicollinearity Test

Here under Multicollinearity test is presented. The test presents the relationship between the independent variables. The value generates must not exceed three. If it's above three, it is to be said that the relation between the independent variable is questionable.

Variables		VIF
Involvement	Consistency	2.929
	Adaptability	2.49
	Mission	2.106
Consistency	Involvement	2.24
	Adaptability	3.484
	Mission	2.326
Adaptability	Involvement	2.35
	Consistency	3.923
	Mission	2.392
Mission	Involvement	3.289
	Adaptability	2.507
	Mission	2.028

4.6 Regression Analysis

In order to see contribution each organizational culture traits on employee performance, standard multiple regression analysis was employed. The regression model presents how much of the variance in employee performance is explained by the selected organizational traits: involvement, consistency, adaptability and mission. As shown on the table below, 62% variation in employee performance is explained by organizational culture (where by R square is .622 and adjusted R square is .613).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
					F Change	Sig. F Change
1	.789 ^a	.622	.613	.45818	64.301	.000

a. Predictors: (Constant), mission, adaptability, involvement, consistency

Table 4.9 Multiple Regression result of selected organizational cultures traits and employee performance

The ANOVA table shows the overall significance / acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value .000, which is less than $p < 0.05$, implies the model is significant. This indicates that the variation explained by the model is not due to chance.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	53.994	4	13.498	64.301	.000 ^b
Residual	32.749	156	.210		
Total	86.742	160			

a. Dependent Variable: employee_performance

b. Predictors: (Constant), mission, adaptability, involvement, consistency

To further assess the effect of organization culture on employees' performance, the following model is used, where X1, X2, X3 and X4 are the four predictor variables.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where: a = the constant (point at which line crosses Y axis)

β_1 = slope (regression coefficient) for variable X1

β_2 = slope for variable X2

β_3 = slope for variable X3

β_4 = slope for variable X4

e = error (or residual) value

Where **Y** is the employee performance, **a** is the regression constant, **β1** to **β4** are regression coefficient, **X1** is the involvement culture, **X2** is the consistency culture, **X3** is the adaptability culture and **X4** is the mission culture, **e** is the error term.

$$Y = 0.545 + (0.211) \text{ involvement} + (0.146) \text{ consistency} + (0.376) \text{ adaptability} + (0.116) \text{ mission}$$

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)		.212	.545	2.575	.011
1	involment	.209	.108	.211	1.942	.044
	consistency	.155	.125	.146	1.246	.215
	adaptability	.396	.116	.376	3.405	.001
	mission	.109	.072	.116	1.519	.131

a. Dependent Variable: employee_performance

The regression coefficient explain the average amount of change in dependent variable that caused by a unit of change in the independent variable. Therefore, adaptability is the most contributing organizational culture traits in the prediction of employee performance with beta value 0.376. The other three organizational culture traits, in their descending order of standardized coefficients, are involvement (B=.211), consistency (B=.146) and mission (B=.116) that the variables are making significant to the prediction of employee performance. In addition, significance levels of adaptability and involvement is .001, and .044 respectively, which are less than 0.05. This indicates that there is statistically significant relationship between them and the dependent variable (employee performance). In the contrast consistency and mission have a

significant value of .215 and .131 respectively. This implies that the variables don't have significance relationship since their significance value is more than 0.05.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter aims at presenting the summary of findings and also to aligne the research findings with regard to the objectives of the study and illustrates the conclusions that have been reached. Recommendation that focuses on how the problem identified could be addressed is included.

5.1 Summary of Findings

This section summarized the core points and major findings which were obtained from data analysis of survey questionnaire.

- ✓ One hundred sixty one responses were valid for analysis, which represented 80% response rate.
- ✓ The numbers of male respondents in the sample population are 49.7% and the female number is 50.3 % which have an approximate value with each other. And it is largely dominated by the age group of 26-35 (64.6%).
- ✓ The largest group of the population comprises first-degree holders, which is 74.5% of the total respondents. Furthermore, 49.7% of the respondents have 3-5 years of experience in the company and these take the majority.
- ✓ The mean score for the measures of consistency and adaptability was equal (3.82), followed by involvement (3.77) and mission (3.66). However, mission scores a mean of 3.66. This indicates that, the majority of respondents have slight agreement on the measures of mission.

- ✓ The employees' performance is assessed with ten performance indicator statements. The average agreement to these statements range from the smallest 3.73 to the largest 4.03. For all these statements, the performance level of employees at Berhan International bank is computed to the level $M=3.84$, which is a high level of performance.
- ✓ From the correlation analysis, it is found that all four variables have a positive relationship from 0.63 to 0.76 score. And among these variables adaptability has more positive relation (0.76) from others.
- ✓ To further assess the effect of organization culture on employees' performance regression analysis was conducted, from the regression result, the coefficient of determination, i.e R Square, is computed to be $0.622=62.2\%$.
- ✓ In the regression coefficient findings, it is found that adaptability is the most contributing organizational culture traits in the prediction of employee performance with beta value 0.376.

Alignment of Findings of this Research with Previous Studies

This study find out that the four factors measuring organizational culture score within the range of 0.634 to 0.76 correlation coefficients with employee performance. Thus, all the independent variables adaptability, mission, involvement and consistency show a moderate level of positive relation with the dependent variable. This finding is consistent with the findings of other researchers.

A research done by Senait Laike(2017) on Economic Commission for Africa indicates that the four cultural traits have strong correlation with a value of 0.641 up to 0.84. However, out of the four traits, consistency and mission have higher positive values in correlation with performance.

While in this research, though all the traits have positive impact, adaptability has more positive value (0.76).

M. Shakil Ahmad research also reveal that all variables have positive relationship, especially adaptability and mission with a person correlation of 0.837 and 0.815 respectively. The result of the study indicates that organizational culture and employee performance are strongly associated with each other and should be complimentary.

Overall the finding of this study along with other studies indicates that organizational culture has strong relation with employee performance. The traits significance may vary from organization to organization. For example in this study consistency and mission don't have significance in employee performance.

5.2 Conclusion

This study was initiated to investigate the impact of the selected organizational culture traits on employee performance in Berhan International Bank sc. The study found that the level of employee performance in Berhan International Bank has a mean score of 3.84. This indicates that the value is to be high which indicates a high performance. The study also found that adaptability is the most contributing organizational culture traits in the prediction of employee performance. The other three organizational culture traits; involvement, mission and consistency are ranked depending on their contribution from most to the least. Therefore, it can be concluded that the more the organization adapt to changing circumstances the more employees are to perform. Thus, employees believe that the organization ability to respond to internal customers regardless of department/ section has effect on their performance.

Involvement, one of the other organizational culture traits, is found to be more practiced in the organization. This is asserted by the standardized coefficient of involvement which is less than 0.05.

The remaining organizational culture dimensions are consistency and mission. Though both dimensions have a positive relationship with employee performance as shown in the person correlation analysis, the significance of the variables tends to be more than 0.05. This implies these two variables have no effect on employee's performance.

Generally the study reveals that organizational culture has a positive impact on employee performance at Berhan International Bank s.c.

5.3 Recommendation

As it can be shown from the different parts of this study, Berhan International Bank s.c is having a good organizational culture and its relationship with employee performance is manifested through the four types of organizational culture. Depending on the findings of the study and conclusions made, the researcher came up with some important recommendations which would help the organization to focus on organizational culture that can largely contribute to the improvement on level of employee performance.

Though organizational culture has a positive impact on employee performance, the following recommendations are made so that the organization know on which organizational traits to work on and to improve its existing organizational culture to a better level.

- ✓ The first recommendation will be, in order to keep the existence of high impact organizational culture on employee performance, the organization should do frequent cultural audit with actionable outcomes and review its work environment so that to fill the gaps from the review process and the employee performance will be kept increasing.

One of the factors for high employee performance came from the existence of good organization culture and if this doesn't persist, employee performance will be lower and the organization existence will be at risk position.

- ✓ Although all organizational culture measurements are important, the adaptability culture has more impact on employee performance in the case company. But working on other dimension of organizational culture is also important. Maintaining a strong culture by being highly consistent, well coordinated and well integrated does not have significant effect on the level of employee performance. This indicates employees prefer to be given the freedom to do the job rather than being compelled to do it in a rigid manner.

- ✓ From the findings, mission has a mean score of 3.66 which is small from other variables. It is also mentioned in the correlation analysis that it has a low relationship with employee performance (.63). Based on this findings the company should work on familiarize the goals, mission and vision of the company so that employees work knowing what they do and seeing their company in the future.

- ✓ On the measure of employee performance, majority of respondents agree that they are willing to put in a great deal of effort beyond the normal expected, in order to help this organization to be successful. On the other hand, employees response on one of the measure of organizational commitment shows respondents don't perceive that the company is the best of all possible organizations for which to work. Therefore, the organization should receive feedback from employees and also conduct market survey so as to know the level of competition.

- ✓ As it is seen the contribution of the four kinds of organizational culture is 61.3% on employee performance. This implies that there are also other contributing factors which are related to employee performance. So the organization should look for those contributing factors (might be job satisfaction, leadership style, motivation, salary and benefits issues...) and explore its relationships with employee performance. This in return will boost both employee and organizational performance together.

5.4 Recommendation for further studies

The following are some of the recommendations for future studies:

- ✓ As it is mentioned in the first chapter of this study, the research on the effect of organizational culture on employee performance are limited specially in our context and the result of the study will be limited only to one organization; recommendations are therefore made for further research in a different organization in the banking sector in order to broaden research in this industry.
- ✓ There are different models and framework that will help to study on the effect of organizational culture on employee performance like Hofstede's cultural dimensions theory, Edger Schein Model, O'Reilly, Chatman's and Caldwell model and others. This research study used Denison's Model, further research on the same organization can be done using a different framework of organizational culture as suggested above to bring depth understanding and outcome.

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APPENDICES

Addis Ababa University
School of Commerce
Human Resource Management

Questionnaire to be filled by employees of Berhan bank s.c

Dear Respondent:

This questionnaire is designed to get the relevant information for the current study. The objective of the study is to assess the impact of organizational culture on employees performance of Berhan bank s.c. This study is only for academic purpose i.e. for the requirement of second degree in Human Resource Management. Hence, your responses will be kept confidential. The soundness and the validity of the findings highly depend on your genuine responses. Therefore, I kindly request you to fill the questionnaire carefully as much as possible.

Thank you in advance!

General Directions

1. No need of writing your name
2. Please put a tick (✓) mark in the box for your answer and for the number of your choice for the alternatives given.

Part I General Background of Respondents (Demographic Information)

1. Age

18-25 years 26-35 years 36-45 years above 45years

2. Sex

Male Female

3. Educational level

Certificate Diploma BA/BSc MA/MSc PhD if any other _____

4. Work Experience at Berhan bank s.c

1-2 years 3-5 years 6-8 years 9-10 years

Part II Organizational Culture of Berhan bank s.c

Please indicate the degree of your agreement/disagreement with the following statements associated with the **four** traits of organizational culture; Involvement, Consistency, Adaptability and Mission in Berhan Bank s.c (**put “v” the Alternative Number That Best Describes Your View**)

Organizational culture traits	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I . Involvement					
Empowerment					
1. Employees believe that they can have a positive impact					
2. Most employees are engaged in their work					
3. Information is widely shared so that employees can get the information they need					
4. Everyone believes that's/he can have a positive impact.					
5. Business planning is ongoing and involves everyone in the process to some degree.					
Team Orientation					
6. Cooperation across different parts of the organization is encouraged					
7. Work is organized so that each person can see the relationship between his or her job and the goals of the organization.					
8. People work like they are part of the team.					
9. Teamwork is used to get work done, rather than hierarchy.					
Capability Development					
10. The capabilities of people are viewed as an important source of capability development.					
11. There is continuous investment in improving the skills of employees.					
12. Authority is delegated so that people can act on their own.					
13. The capabilities of employees are viewed as an important source of competitive advantage					

II. Consistency	Strongle disagree	Disagree	Neutral	Agree	Strongly agree
Core value					
14. There is a clear and consistent set of values that governs the way business is done.					
15. Managers "practice what they preach"					
16. There is an ethical code that guides behavior and that tells right from wrong.					
Agreement					
17. There is a "strong culture" of doing things.					
18. When disagreements occur, employee work hard to achieve a "win-win" solutions					
19. There is a clear agreement regarding the right way and the wrong way to do things					
20. It is easy to reach consensus, even on conflicting issues					
Coordination and integration					
21. There is a good alignment of goals across levels.					
22. People from different parts of the organization share a common perspective.					
23. Our approach to do business is very consistent and predictable.					
III. Adaptability					
Creating Changes					
24. Improved ways to do work are continually adapted					
25. Different parts of the organization cooperate to create change					
26. Berhan bank respond to competitors actions and other changes in the business Environment					

Customer focus					
27. Customers comment leads to changes and influences decision making Employees understand customers wants and needs					
28. Customers inputs directly influences company's decisions					
Organizational learning					
29. Innovations are encouraged					
30. Learning is an important objective in a day-to-day work of the company					
31. Berhan bank view failures as an opportunity for learning and improvement					
IV. Mission					
Strategic direction and intent					
32. Our strategic direction is clear to me.					
33. There is clear mission that gives meaning and direction to our work.					
34. There is a long-term purpose and direction of the company					
Goals and objective					
35. There is wide spread agreement about goals.					
36. Leaders set goals that are ambitious, but realistic.					
37. We continuously track our progress against our stated goals.					
Vision					
38. Leaders have a long term view point.					
39. Our vision creates excitement and motivation for our employees.					
40. Employees have a shared vision of what the organization will look like in the future					

Part III. Employee Performance

Employee performance	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
41. I rated the quality of my work in the last performance excellent.					
42. I managed to plan my work so that it was done on time.					
43. I often expand extra effort in carrying my job.					
44. I have a complete knowledge and understanding of my tasks.					
45. I always reach my objective set (performance target).					
46. I review my performance continuously for improvement.					
47. I have the required skills to perform my task.					
48. I have the required level of motivation to perform the tasks.					
49. I do my job independently.					
50. I could manage more responsibilities in my job than typically assigned to me.					