POST GRADUATE STUDIES

The effect of organizational culture on organizational performance: the mediating role of innovativeness in the case of Cadila pharmaceuticals (Ethiopia) Plc.

A thesis presented to the College of Business and Economics at Addis Ababa University, Department of Business Administration, in partial fulfillment of the requirements for a Master's degree in Business Administration with a specialization in Management.

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THE EFFECT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE: THE MEDIATING ROLE OF INNOVATIVENESS IN THE CASE OF CADILA PHARMACEUTICALS PLC. ADDIS ABABA

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Statement of declaration

A thesis, titled 'The effect of organizational culture on organizational performance: the mediating role of innovativeness in the Case of Cadila Pharmaceuticals PLC (Ethiopia) Addis Ababa city, is a product of my effort and research. I am independently conducting this study, i am guided and supported by my advisor, Habtamu Endris (PH. D). it hasn't previously been subjected to a degree at any other university. I am presenting it to Addis Ababa University, College of Business and Economics, in partial fulfillment of the requirements for the degree of Master of Business Administration with specialization in Management.

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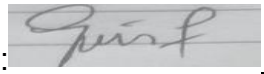
Signature: 

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The Statements of certification

I confirm that a thesis titled 'The Effect of Organizational Culture on Organizational Performance: the mediating role of Innovativeness in the Case of Cadila Pharmaceuticals (Ethiopia) PLC'. submitted by Mr. Tadesse Melkie is his original work completed under my supervision. I confirm that this thesis should be presented to the examiners for evaluation.

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ACRONYMS

BPI: Business process innovativeness

CEO: Chief Executive Officer

ETB: Ethiopian birr

GMP: Good Manufacturing Practice

HRD: Human resource development

OC: organizational culture

PLC: private limited company

QC: quality control

SPSS: statistical package for social sciences

USA: united states of america

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Abstract

In today's fiercely competitive markets, innovation stands as a critical factor for a company's success. There's a growing fascination with unraveling the elements that propel innovation forward. Presently, the spotlight is on individuals and their actions, particularly on how the culture within an organization can either propel innovation to new heights or constrain it, thus impacting the company's overall performance. This paper aims to explore these connections - the independent, dependent, and mediator variables - using data from 205 employees at Cadila Pharmaceuticals Plc. Surveys were given out with a reasonable response rate of over 90%. used fancy analysis tools like Structural Equation Modeling (SEM) with software SPSS 26 and AMOS 21 to dig into the data. The study concluded that organizational culture positively impacts both innovation performance and overall organizational performance at Cadila Pharmaceuticals (Ethiopia) PLC. Specifically Organizational culture has a significant and positive effect on innovation. The overall model analysis demonstrated that organizational culture positively influences organizational performancefindings. Innovation had the strongest positive effect on organizational performance, corroborating the relationship study which found a strong link between organizational innovation and performance.From all this, we can say that being innovative helps link certain types of organizational cultures with better performance outcomes.

Key words: - Organizational Culture, innovativeness, Organizational Performance

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

The connection between organizational culture, innovation within an organization (organizational innovativeness), and overall organizational performance is not fully understood. Furthermore, there's a lack of research that examines these relationships together statistically (empirically). The study aims to address the gap in knowledge to investigate whether organizational innovativeness shows an intermediary relations with cultures and performance. By tackling the issue, the research aims to provide deeper understanding how organizational culture influences performance. It's well-established that organizational culture is a critical cause in analyzing organizations across various contexts. Its importance lies in establishing a competitive advantage, as highlighted by Barney (1986) and Cameron & Quinn (2005).

Gjuraj (2013) states about culture i.e. the product and the common experience by a group of people living in the same place. This experience fosters common values, attitude, behaviors, and beliefs. Cultural identity is further shaped by shared norms, history, religion, and artifacts, which set this group apart from others. Culture's influence is profound, even unconsciously guiding individual actions within the group.

Organizations are structured groups of people within society. These groups can take various forms, such as associations, institutions, or governments. Each organization has a distinct purpose, which can range from protecting a nation (like the armed forces) to providing education (like universities).

Organizations are defined by their unique cultural identity, the system in common values, beliefs, and behaviors within their members (Robbins & Judge, 2007). This culture sets them apart from competitors. However, the business world is constantly evolving, with consumer demands and the overall environment shifting rapidly. To remain competitive, organizations must adapt and embrace change (Shaharoun et al., 2017). An inflexible culture can hinder an organization's ability to thrive in this dynamic landscapes.

The fierce competition in today's business world necessitates that companies continuously adapt and implement innovative operational management practices to ensure their survival (Hung, 2007).

An organization's performance is measured by comparing its actual output or results against its predetermined goals and objectives. This evaluation considers factors like productivity, efficiency, and the achievement of strategic aims. As Mahapatro (2013) suggests, effective leadership, strong governance, and a persistent commitment to achieving business objectives are all crucial elements for successful organizational performance.

Several scholars have explored the concept of organizational performance. Cascio (2006) defines individual performance as the successful completion of assigned tasks by employees. Daft (2000) emphasizes the organizational level, suggesting that performance reflects an organization power to efficiently attain its goal. Ricardo (2001) links performance to goal achievement, stating that successful organizations reach their objectives. Building on this, Saunila etal. (2014) highlighting the value of performance measurement tool for improving organizational strategies.

The modern business landscape is characterized with fast technological advancements, ferocious global competition, and evolving customer preferences (Droge etal., 2008). In this complex environment, innovativeness is acknowledged as a main cause for the effectiveness of ones organization and to maintain competitive edge (Damanpour & Gopalakrishnan, 2001). Research consistently shows that innovative organization is mostly adaptable and answer swiftly to allowing them capitalize on new business opportunities (Aboramadan, 2020). Innovation is advised as a key tool for organizations thriving in a dynamic business environment and outperform competitors (Blackwell, 2006). Many researches have stipulate strong indication of the constructive result of innovation on performance (Damanpour & Gopalakrishnan, 2001 & Baker & Sinkula, 2002;).

Given the vital role of innovation across various organizational settings, scholars have actively explored the determinant factor (Koc & Ceylan, 2007). Organizational culture has emerged as such factor with a potential impact on innovation (Lin et al,Buschgens et al. 2013). While organizational culture has been extensively studied in type, characteristic and definition (e.g.1996, Lavine, 2014 Schein,), research on its contribution to innovation is developing (Kim & Chang, 2019, Hartnell et al 2011). Although studies suggest a positive influence of organizational culture on promoting shared belief. a competitive advantage by Calciolari etal (2018), desired employee behavior Nazarian etal, (2017), ultimately innovation Lin etal, (2013), more evidence needed. Furthermore,

most existing research has been conducted in Western contexts, highlighting the need for broader investigation.

This research aims to address the gaps by investigating the relations between organizational culture with its performance, with innovativeness acting a potential mediating factor.

The term 'innovation' lacks a universal definition. A well-known perspective comes from Schumpeter (1934), who defines innovation; the application of new ideas and knowledge to drive economic growth. This encompasses the introduction of novel or improved products, implementation of a new management practices, and new technological utilization and ideas within the industry, the aim of a firm performance enhancement. Organizations can cultivate knowledge through various means, such as engaging in R&D (research and development) activities, collaborating with companies, participating in global markets and, incorporating customer feedback (Shouyu & Cirera et al, 2017; Alin, 2012).

The 21st century is witnessing the wave of turbulent industrial innovations i.e. significantly altering consumer preferences and propelling productivity across various sectors. the link between performance and innovation is complex. (Bowen etal.2009) acknowledge the uncertainty surrounding this relationship. Wolff (2007) adds that companies dedicate varying levels of resources to innovation. However, simply increasing these inputs doesn't guarantee successful innovation outcomes. The innovation process is intricate and fraught with risk. Rosenbusch et al. (2010) warn that companies investing heavily in innovation without effectively translating those resources into marketable offerings risk wasting resources and harming their performances.

1.2. Statement of the problem

The substantial body of research explores a connection between culture and various key organizational concepts and activities. Studies have examined its influence on creative thinking and invention (Terblanche & Martins, 2003), knowledge transfer (Lucas, 2006) quality and productivity (Mathew, 2007). The effect of cultures on overall performance is garnered significant investigation work due to its recognized importance.

Recognizing the critical role of technology adoption and innovation in achieving national goals, the Ethiopian government enforced the innovation technology and science policy in 2010 with

accompanying execution plan of action. however, despite these efforts, a 2022 Global Competitiveness Report assessment (covering 2007-2021 and forecasting 2023) ranked Ethiopia 126th out of 141 countries, with an innovation index score of only 44 out of 100. This suggests Ethiopia lags behind other nations, including some low-income countries. The Global Competitiveness Report assesses a country's competitiveness based on a combination of factors determine productiveness, the sanctioning environment, human capital, marketing systems, and the overall innovation ecosystem (Smita et al., 2016; Klaus, 2019).

While innovation has been a popular topic for research, there's a gap in the study that examines a connection between culture, innovation & performance. Existing research tends to focus on specific aspects. (Beyene et al, 2016) "explored the influence of innovation strategy on product innovation, mediated by organizational learning and moderated by factors like firm size and ownership". (Smita et al 2016) "investigated the general role of innovation performance in Ethiopia, looking at firm-level innovation in correlation with firm size, access to credit, and export performance". (Mulu, 2009) focused in "barriers to innovation in small firms and its role in job creation". Asheber (2016) examined "the influence of intellectual capital on innovation in the Ethiopian banking sector, considering organizational capital as a mediating factor". However, none of these studies have addressed the potential mediating role of innovation practices in the relations between organizational culture and its performance.

Andish et al (2013) highlight, the organization's cultural cognition alter positively to change is a crucial aspect. The pharmaceutical industry, with its emphasis on both culture and performance, presents a valuable case study. This research by the current author was motivated by the high level of employee resistance to change observed at Cadila Pharmaceuticals. various cultural models exist, the researcher selected the cultural models by CameronandQuinn (2011) due to its suitability for the chosen organization and its prior application in relevant research.

This study aims to address an investigation for the research by the effect of organizational culture on its performance by taking the mediator variable innovativeness in Cadila Pharmaceuticals PLC. The research extends beyond this specific case study by contributing a broader disposition of the relationships in Culture, Innovation and Performance in the Ethiopian context, where such linkages are not yet extensively explored. Through an empirical examination of Cadila Pharmaceuticals, this study wants to provide valuable indication on how organizational culture

impacts performance, with innovation potentially playing an intermediary role.

1.3. Basic research questions

this research aims to answer:

1. What organizational Culture Vs innovativeness types exist inCadila Pharmaceuticals plc?
2. How is organizational culture related to performance?
3. Is the relationship between organizational culture and its performance mediated by innovativeness?
4. Whichtype of organizational culture attribute has a significant effect on organizational performance?

1.4. Objectives of the study

1.4.1. general objective

the aim of this research isexamining the effect of organizational culture on organizational performance; innovativeness as a mediator variable in the case of Cadila pharmaceuticals Plc.

1.4.2. specific objectives

This research has the following specific objectives

1) to examine the existing of organizational culture and innovativeness in the Cadila pharmaceuticals industries plc.
2) to examine an extent in how organizational culture relates with performance.
3) toexamine the mediation role of innovativeness between organizational culture and its performance.
4) examining which type of organizational culturea attribute has a significant effect on organizational performance.

1.5. Significance of the study

This research primarily investigates how organizational culture and innovation influence organizational performance, with innovation serving as a mediating variable. The study contributes theoretically by filling gaps in empirical evidence and offers practical implications. It aims to explore the impact of different types of organizational culture on performance within the Ethiopian pharmaceutical industry. In line with its objectives, the findings are expected to have practical relevance for the case organization, contribute to future research, and expand knowledge

in the fields of organizational culture and performance, particularly in research and development entities. Furthermore, the study seeks to elucidate the relationship between organizational culture and innovation, and their collective impact on the performance of the Ethiopian pharmaceutical sector, which has been largely unexplored. This research can help the case organization identify the most influential culture type and its effect on performance, potentially leading to workplace improvements and increased employee commitment. It also provides valuable insights for policymakers and practitioners involved in economic development, offering input for strategies and regulatory measures to foster innovation within industries, thereby contributing to the domestic economy and supporting the government's structural transformation agenda. Theoretically, the study adds to the current body of literature on innovation management and business strategies. The proposed conceptual model, examining the influence of innovation practices on the link between organizational culture and performance, offers researchers new theoretical and empirical insights, particularly from the perspective of a developing economy.

1.6. Scope of the study

This paper delimited and confining "the effect of organizational culture on organizational performance; by taking innovativeness as a mediator variable. For thisstudy, OCcultureis customarily defined in the way thingsare doing intheconcerned organization ofservice provisions. Therefore,this study isbounded toinquire the effectof predominant organizationalcultureon its performancethroughinnovationperformanceonprovisionsof services focused on Ethiopian pharmaceuticals industry in Cadila pharmaceuticals plc. Is a private owned company located around Meskel flower, Addis Ababa and Gelan area of plantation and factory located.Eventhough there are attributes oforganizationalculturesareexisted, for thisstudy isdependsonthedimensionsof OC showed byCameron andQuinn(2006) focusing on Clan, Adhocracy, Hierarchy and Market.

1.7. Definitions of key terms;

For this study, the under operational terms are defined;

Organizational culture(OC): - "Culture is a pattern of shared basic assumptions, invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid" (Schein, 1987).

Innovativeness: - “innovativeness reflects a firm’s tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes” Lumpkin and Dess (1996).

Performance:- “organizational performance is the organization’s ability to attain its goals by using resources in an efficient and effective manner” Daft (2000).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. Introduction

this literature review gives the basis in the context of this investigation into organizational culture, innovation, and organizational performance. Focusing the details of organizational culture and its performance and measurement and what innovation in relation to the pharmaceutical industry looks like and also empirical studies reviewed. The empirical reviews and findingsof the late studies on organizational culture and organizational performance is presented. At last, a conceptualframework of the dependent, independent, and mediator variables closes the discussion.

2.1. Theoretical literature review

The theoretical literature review in this study centers on key aspects of organizational culture and its impact on organizational performance and innovativeness. It begins with a discussion on the concept of organizational culture, highlighting its significance, characteristics, and the four defining attributes of culture.

2.1.1. Organizational culture

Definition

Organizational culture respects the aggregate of values and norms obeyed by all members of the organization. Additionally, it encompasses the manner in which they communicate and engage with both internal and external stakeholders. These values and norms act as a rule guiding how tasks are to be done. Values in this context is the employees ideas and beliefs respect the types of goals or objectives to achieve Black (2003).

Schein perceives organizational culture as a potent yet largely imperceptible social force. Organizational culture denotes the values and convictions that establish the expected norms of behavior for employees. the concept of organizational culture is prevalent in literature on organizational behavior, management, and marketing (Shook, Harris, and Armenakis 2009). Empirical findings shows that organizational culture profoundly impacts market-oriented behaviors, financial performance (Homburg & Pflesser, 2000), employee attitudes, and organizational performance (Gregory et al., 2009). Moreover, it plays a more significant role in

organizational performance and knowledge management than organizational strategy and structure (Zheng, Yang, & McLean, 2010). Organizational culture exerts a substantial influence on employee behaviors, transcending formal control systems, procedures, and authority (Chatman, Caldwell & O'Reilly, 1991). It serves as a potent mechanism for eliciting desired organizational outcomes.

Organizational culture is all about the stuff each employee brings to the company. The big shots like directors, executives, and managers have a say in shaping this culture. Donovan (2006) says it's all about symbols, language, stories, and daily tasks. How employees interact in meetings, read newsletters, and work together shows what the culture is like. Cultural things can be seen or not seen by employees pretty easily.

In his book titled "Organizational Culture and Leadership," Schien (2000) explained Culture as always around us, in reaction to others & influenced by leading behavior. It consists of artifacts, regular works, regulations, and standards that lead within organizations and groups Understanding how culture is formed, embedded, changed, and manipulated provides insight into how it shapes and gives meaning to group members' actions. Recognizing cultural forces in groups, organizations, and professions allows for a deeper understanding of seemingly mysterious or frustrating behaviors. Studies have shown a correlation between cultural capability or specific types of cultures and economic execution (Kotter & Heskett, 1992; Sorensen, 2002).

2.1.1.1. Theoretical views of organizational culture

There are tangible and intangible elements of culture. Beliefs, values and assumptions and also the tangibles are also creations, artifacts and norms that are behavioral (Schein & Hofsted, 2001). Values and practices are regarded as two facets of culture, with values representing individual preferences in work and life-related matters and practices denoting employees' descriptive perceptions of the work environment or actual work situations

Since, values are the significant aspects of work practices often manifest in organizations. And this perspectives challenges the traditional ones (Smith, 2000).

In the traditional view operational dimensions delineate culture in action and gives more tangible insights than values, and might not be actually reflected cultures (Smith, 2000)

Accordingly, agreeable patterns are viewed as manifestations of organizational culture (Christensen & Gordon, 1999). the adoption of organizational visual effects are useful as it is easier to monitor. kostova (1999) agreeable patterns defines organizational culture as "particular ways of conducting organizational functions that develop over time and these practices reflect the shared knowledge and competence of the organization". (Wilderom and Van den Berg , 2004) organizational culture as a common perception of an organization's working pattern.

2.1.1.1.1. Theoretical perspectives on organizational culture model

The two dimensions i.e. the outcome of research and key measures of successful were created by CVF (competing values framework). and manifested by forming four quadrants.

Each quadrants representing a set of successful organizational indicators.Figure2.1depictstherelationsbetweenthesedimensions and inanotherway, each four quadrants of criteria ddefine thecore values of organizations are made.

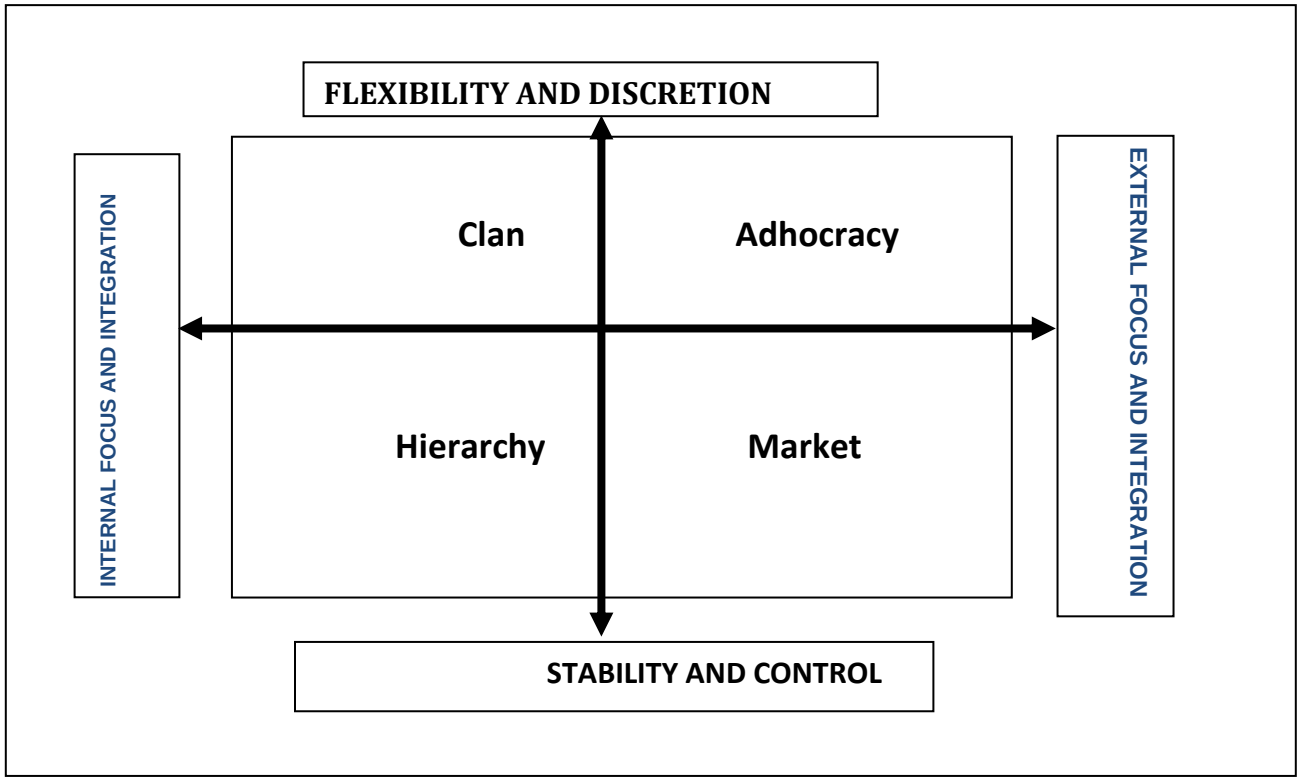


Figure 1:CVF (cultural dimensions)

Source: Cameron & Quinn

The four quadrants of perspectives represent contrasting assumptions and emphasizes a fundamental value found each in an opposing status i.e. internal focus integration vs external focus integration and stability and control vs flexibility and discretion.

It is better to understand that the names are not choosing in randomization. But, they are from academic research to describe how each organizational values overtime associated with others forms of culture.

So, these quadrants are merged from studies to fit the key OC's evolved in science. And also they are connected with organizational performance, leadership, management skills and organizational performance.

They are named in different business attires like; clan as collaborate, adhocracy as build, market is compete, and hierarchy as power and categorized as a quadrant. As of the robustness, the four dimensions and quadrants are identified as a cultural category and each dimensions reflect a fundamental assumptions and concepts to modify organizational culture.

CameronandQuinn(2011)OCAI isatoolthathelpsyoutodiagnoseyour ownorganization'sdominantorientationusing thesecoreculturefforms.Italsoaidsyouin determiningthecultural intensity,form, andcongruenceofyour organization.

OC is a best tool that is relevant for assessing one's organizational orientation of cultural forms (cameron&quinn; 2010).

Hierarchy culture;

Max weber, who is a German sociologist studied the government organizations in Europe in the early 1900s I.e. many organizations faced the challenges that are the production of products and services effectively and efficiently of a more complex society.

Weber(1947), suggest the seven characteristics of bureaucracy useful for an organization to achieve its goals when the goal of the organizations is producing predictable productions :

- ✓ Law
- ✓ Specialization
- ✓ meritocracy
- ✓ Specialization
- ✓ Separate-ownership
- ✓ impersonality and
- ✓ Transparency

Until the mid 1900s, a significant part of organizational management were establishing a hierarchy and bureaucratic systems so as to produce a products and stable and a highly consistent service creation. In this era the tasks would be coordinated and integrated with goods and services were

retained with full of staffs and employees controlling as its environment is stable.

In this hierarchical organizations the clear line for decision making, uniformity of rules and procedures with accountability and transparency of works were more emphasized.

Always the work of peoples is monitored by procedures and the leaders are to be effective. Also, maintaining a well organized organization I.e. in terms of functionality, stability and performance with prediction.

The hierarchy organizational culture is used for a government agencies and corporations with its structured procedures, levels with the rule of enforcement.

Market culture;

Cameron &quinn(2011) describes about there was the emergence of competitive business challenges in the late 1900s. a multi-user of organizations with a different type of business to be more effective with the expense of transactions.

To describe a market type of organization is first, the term 'market' is refers to a type of business entity to perform an organizations better functions. Mostly, it is worried about the external environment so as to be competent I.e. the clients, suppliers, associations, and regulators among the constituencies targeting.

As contrast withahierarchy, the organizationalregulationis constitutedby laws,specialized work spheres,andcentralizeddecision makings. while,the marketis highly regulatedbyeconomicmarketingprocess,competitivedynamics,andmonetary exchange.Markets, its primarily concern is makingtransactions i.e. exchanges, purchases,andcontracts with clientsto take a morecompetitiveadvantage. Profitable,performance in line with bottom,market-nichepowerfulness,andstability ofcustomerbasesare theprimary goal of the organization. Market type organizations are governed by placing a competitive and efficient fundamentalprinciples.

The assumptions of market culture, customers are fastidious and value orientation and the market is aggressive in the external world than charitable so organizations/companies improved by a competitive stance. The top managements duty towards guiding the company primarily should be efficiency-oriented, performance always and income generate.

OCAI, accordingly amarketcultureisa visible performance oriented.Leaders should betough in challenging competitors. An organizations focus is on the winning stance and a

competitivebehavior to attaingoals. The sharing of markets and market penetration are the key measurements of successful.

Clan culture

In the upper left quadrant, a clan a third type of organization features are employee participation, team work, and corporate responsibilities to workers (cameron&quinn;2011).

Team members are rewarded by the collective results/ achievements their autonomous power is up to recritment of the new ones and fired the team members and oriented by feed back from staffs about the quality and betterment of their work towards the company's result.

An assumption made by Clan culture is the managements main task is inspiring the workers and promoting their dedications, loyalty and engagement.

OCAI,clanculturemeasuredcreatingawelcomingworkplace that peopleswillingness bysharing and explainingaboutthemselves. Thinking of that having theirs secondfamily and home.Leaders attentiveness should be mentors of as a result, Commitment becomes high.Theorganization should stresses of long-termbenefitsof individual growth in a team,emphasizingtheimportanceof growingandmorale development. The Internalenvironment for caring of employees leads to success. the organization should be placed of participation, collaboration and consensus.

Adhocracy culture

The last type of organizational culture is adhocracy. Allowing the transition of industrial and information that is characterized by a 21st century's accelerating conditions of organizationalenvironment

anassumptionestablished of these types of organizations is innovation and timely oriented projects leads to growth with a company's looking in to the creation of new ideas and services that are vital for future miles. Also an assumption on managers is they have to be responsible for encouragement of entrepreneurship and innovation by setting a vision.

"Thewordadhocracy comesfromthewordadhoc,whichmeanstemporary,skilled,anddynamic". where complex environment and knowledge-overloading are common and ambiguous theadhocracy culture's main task is promotion of flexible, innovativeness, and adaptability.

OCAI, concluded that the main characteristics of adhocracycultureacompetitive, entrepreneurialandinnovative workplace. in adhocracy culture Peoples can check theirs potential. And also, effective leaders can be risk taker, visionary and creative with the

existenceofnew ideas, knowledge's,andservicesisaccented.It isadvantage is someonetobeready for a new change. And an organizationslong-term attention is the expansion and ackiring of new investment.

2.1.1.2. The functions of organizational culture;

OC culture, increasingly recognized in a pivotal factor influencing an organization's strategic trajectory, with profound implications for managerial decision-making and overall success. It serves as a guiding force for managers and employees, facilitating strategy implementation, fostering a shared vision of organizational development, and shaping the organization's image. Crucially, employees' perceptions of their roles within projects and the broader company context are fundamental elements of this culture. Aligning projects with organizational culture can enhance execution efficiency and project success rates. Recognizing the interplay between organizational culture and project management, as highlighted in the study made by project management institute at 2015, enables businesses to discern which projects are most conducive to long-term success and competitive advantage, emphasizing the importance of integrating a project management mindset within the organizational culture.

2.1.1.3. Characteristics of organizational culture

Eren, (2010) highlights the four intriguing aspects of OC culture. Firstly, it's a knowing behavior inherited through experience and shared by all group members. Secondly, it exists in the collective thoughts and attitudes of the group rather than being documented. Thirdly, it manifests through consistent behavioral patterns. Additionally, Robbins and Judge (2011) identify seven key features that contribute to the richness of OC culture. these include encouraging creativity and courage, attentiveness to details, prioritizing results over bureaucratic procedures, valuing employees, fostering teamwork, promoting competitiveness, and maintaining stability. Together, these features define the essence of the organization, setting the tone for task execution and overall business operations.

2.1.1.4. Elements of Organizational culture

Organizational culture comprises fundamental elements such as beliefs and values, norm and an assumption (Guclu, 2003). Belief delineate notions of "good and bad," closely aligned with shared ideals within a group, guiding individual aspirations and behaviors (Trompenaars and Hampden-Turner, 1998: 22). Norms, on the other hand, serve as common standards delineating what is

deemed acceptable or unacceptable behavior, manifesting both formally as written laws and informally as social conventions. Whether consciously or subconsciously, norms shape perceptions of expected behavior. Assumptions, typically unconscious, establish the underlying principles guiding individual and group actions, thoughts, and emotions. Unlike values, assumptions inherently dominate cultural frameworks, making comparison with alternative options challenging. They serve as the foundation reference point for reality perception, directing the overall value, belief, and norm systems within a culture (Iscan and Timuroglu, 2007:).

2.1.2. Organizational performance

Definition

Different researchers have different opinions on performance. It's kinda a big deal on researchers, you know (Barney,1997). thinks performance means the famous 3Es - economy, efficiency, and effectiveness (Javier;2002). But Daft (2000) sees it differently; it's about reaching goals with resources used well. Richardo (2001) agrees with Daft, saying it's all about hitting those goals and objectives. Hefferman and Flood (2000) talked about how it's not clear what that even means sometimes. They said the problem is not just in coming up with a definition but also in how we measure it.

There are problems with defining and measuring performance. don't mix up performance with productivity Ricardo (2001) made sure to point that out. Productivity is about how much work gets done in a set time frame. Performance that's a bit broader; it covers quality, consistency, and more stuff like that. Ricardo (2001) also mentioned that performance m`qw 1easures can look at actual results or compare them to norms, education and training, concepts, including management and leadership development that are necessary for building skills and attitudes of performance management.

2.1.2.1. Factors Influence Organizational performance

Wornerfelt & Hannsen (1989), delineate primary research strands in the business policy literature regarding organizational performance determinants. One stream, rooted in the economic tradition, underscores the significance of external market dynamics. The other perspective, grounded in behavioral and sociological paradigms, highlights the alignment of organizational factors with the environment as pivotal for success. The economic model identifies industry characteristics, competitive position, and resource quality as key determinants of organizational profit, while the

organizational model emphasizes HR policy, OC culture, environmental condition, and management styles. Additionally, Chein (2004) identifies 5 central element influencing Organizational performance;a) environment and management styles b) organizational culture c) HR policy d) Psychological motive e) job design.

2.1.2.2. Organizational aliment & culture

Scholars have long highlighted the relationship within organizational aliments and orgaizational performance (Burns& Stalker, Lawrence& Lorsch's; 1967 and Miles & Snow; 1978). research revealed that the firm that are boomed in ambivalent tended to adopt much specialized constituents and utilized integration performance like social unit and affairs. Conversely, effective organization with unidentified areas showed little and different and integrative methods. They concluded that the inner properties of organizations, such as structure and orientation, could be evaluated for compatibility with the variable in the situation with in member per-dispositions, and a single success emerging is the result of this alignment.

The interplay between factors of the organizations like aliment and culture leads in the development of enhanced incorporate and content constellation over time (Miller & Frisen;1980 and Tushman ,1986). Culture, strategy and structure reflect the values and commitments of influential managerial groups, concentrating various aspects of the organization around a central theme (Greenwood & Hinings; 1988). the organizational set ups constitute a changing systems in first subjects set an improvement trajectory, aligning corporate ideologies, strategies, and infrastructures over time. They function as round shape field, more and more specializing and aligning beliefs and behaviors (Miller, 1987).

Several researchers have explored the concept of alignment or "fit" in line with the work of Burns and Stalker (1961), by highlighting environmental variability as a crucial contextual element in organizational design (Child, 1972; Duncan, 1972; Khandwalla, 1973). The core principle of these studies indicates that varying degrees of environmental change necessitate different levels of structural formalization. Specifically, formal mechanistic structures are suitable for stable environments, while informal, organic structures are better suited for dynamic environments. In Khandwalla's (1973) study, it is suggested that, although this notion is relatively well-known, straightforward, and intuitive, the actual alignment process is intricate and challenging. Achieving

alignment involves continuous environmental scanning and interpretation, linked to an understanding of the organization's goals, strategies, structure, and resources.

Aligning strategy-making formalization with environmental variability is a crucial skill for organizational alignment (Fredrickson;1986). The variation in the environment-structure relationship implies that different levels of environmental variability demand varying degrees of decision-making comprehensiveness (Fredrickson&Mitchell, 1984) or strategic planning formality (Mintzberg, 1973). Although the performance outcomes of these environment-planning alignments remain somewhat ambiguous (Miller& Freisen, 1984), it is evident that an organization's strategy-making process is a significant design variable.

Under the contingency theory framework, measuring organizational alignments has been a subject of debate and criticism (e.g., Schoonhoven, 1981; Tosi etal., 1973; Venkatraman and Camillus, 1984). The measures used in any contingency-based research need explanation and justification. Depending on the researcher's objectives, there are several statistical techniques for analysis and measurement. Venkatraman (1989) noted that few contingency studies have clearly defined their approach; however, as Schoonhoven (1981) and others have pointed out, this choice should not be random or based on convenience, as different methods generally produce different results.

a results of these investigation indicate that the idea of competitive advantage can expand beyond traditional economic factors to include moderation variant like organizational aliment. While aliment theories traditionally stem from organization theorists, this study endeavors to amalgamate diverse viewpoints, particularly in business structures, scheme, and organizational explanation. Although the Lorsvh's &lawrence consistency theory emerged more than two decades ago, building on earlier works (Burns & Stalker, 1961; woodward, 1965), now we starting to connect the theory with others and from business organizations and scheme. this research represents the stride in synthesizing of different orientation of organizational performance by Powell (1992).

2.1.2.3. Organizational capabilities and learning

Teepee (1984) emphasized the importance of firms aligning their capabilities with their constantly evolving environment to achieve optimal performance. From this perspective, many companies are operating in the market, by simplifying their surroundings and identifying many profitable portion,

could seek to adjust the resources to alter their plan of action, thereby maneuvering strategically and improving performance.

Bartlett and Ghoshal (1990) encapsulated this notion by highlighting that the pivotal strategic necessity is sophisticated with coordinated program, then establishing a feasible shemes and processes. They stressed that a central organizational objective is not to design a complex organization. but to appraise the individuals talents and the inspiration for the entire environment.

There should be a checking mechanism whatever this a capabilities aligns with another stakeholders. Likewise, examining these issues prompts address of structural construction: de we are structured appropriately to give the excelling. do we possess a necessary personnel, communication system, and dissemination modes and if we acquire timeframe with monetary.

Dayy (1981) advocated for an integrated perspective in defining markets and competitors, approaching from top to down, that defines industry based on strategical ability and resources transfer ability, with approaching from bottom to top, that give inference on the demand of customer's in the industry.

Studies on organizational relation, education, and making a decision identify 3 core components that form the basis of organizational capacity: the recognition of inter-organizational relations and the implies for legal action, the motive to take action, and the internal capabilities required to initiate actions (Allison, 1971; Dutton and Jackson, 1987; Kiesler and Sproull, 1982; Lant et al., 1992; Schelling, 1960)

focusing on market and resource magnitudes underscores the behavioral preexistence, that consciousness and motive influenced by the industry relations. while capableness largely depends on looking strategically the allocation in resource. These determining factor synergistic ally support organizational capacity critical for developing a competitive-advantage a midst the schemes competition (Miller and Chen, 1994).

2.1.2.4. The industry structures and strategical groups

Industry membership is the one variable's of performance. Firm-specific performance is influenced by relative factors, as documented in three renowned studies (Rumelt, 1991; Schmalansee, 1985; Wernerfelt & Montgomery, 1988). These studies consistently found that industry membership accounts for 17-20% of the variance in financial performance. Powell (1996) later confirmed these findings, reinforcing that industry membership can explain approximately 20% of a firm's performance.

Abell (1980) emphasized the importance of identifying not only competitors that mirror your market approach but also those that intersect your market from different angles. Competition investigation showed that market commonality and resource similarity is the two important organizational factors defined by two crucial firm-specific components.

Hatten (1987) highlighted a significant point: while most strategic group theorists do not specifically aim to identify "competitors," this approach is often applied to competitor analysis, leading to problematic outcomes. Some studies, without critical examination, assume that "when a company enters a specific strategic group, it selects the members of that group as its competitors" (Kotler & Armstrong, 1989). This can result in analysts grouping firms serving different markets but having similar strategies as direct competitors.

This oversight of market specifics is unfortunate, given a key, yet often ignored, point in early strategic group literature: "Firms within a (strategic) group closely resemble each other and are more sensitive to their mutual dependence" (Caves & Porter, 1977). Two firms would recognize their interdependence most acutely if they operated within the same markets. For effective competition investigation, by taking in to account being a common industry essentially acquires the common dependency of this firms.

According to the resource-based view of the firm, Collis (1991) argued that because each firm's set of resources (its core competencies) is unique, each firm would approach competition differently, even within the same market opportunities. Porter (1979) noted that the significance of entry barriers varies depending on a firm's specific strategy. Similarly, Hatten & Hatten (1987) clarified

that mobility barriers between strategic groups are asymmetrical. Porac & Thomas (1990) suggested, using taxonomic mental models, that firms define their competitors in diverse ways.

2.1.2.5. Organizational Resources

Complementary organizational resources are integral to a firm's overall resource and capability base, and their competitive significance can be assessed through questions of value, rarity, and imitability. This discussion emphasizes the crucial role of complementary organizational resources in enabling a firm to fully leverage its competitive advantage potential.

It is beneficial to differentiate between types of organizational resources that can generate exceptional returns. Resource-based theory, while internally focused, should also delineate the external environments where different types of resources can be most productive. Similar to how contingency theory aligns structures and strategies with the contexts in which they are most effective (Burns & Stalker, 1961; Thompson, 1967), resource-based theory must consider the contexts in which various resources most significantly impact performance (Amit & Schoemaker, 1993).

Several researchers have developed resource categorization schemes. Barney (1991) proposed grouping resources into physical, human, and capital categories. Grant (1991) expanded this to include financial, technological, and reputational resources. While these categorizations are useful, they do not closely align with Barney's (1991) criteria of utility—namely, value, rarity, difficulty of imitation, and lack of substitutes—which may limit their ability to predict performance. A core argument of resource-based theory is that a firm can achieve above-normal returns only when other firms cannot imitate its resources.

There are two primary bases for non-imitability. Some resources cannot be imitated because they are protected by property rights, such as patents, contracts, or ownership deeds. Other resources are safeguarded by knowledge barriers, where competitors are unaware of how to replicate a firm's processes or skills (Amit & Schoemaker, 1993; Lippman & Rumelt, 1982).

Resource heterogeneity or diversity is crucial for a firm's competitive position relative to its competitors, while resource similarity has the opposite effect. The quantity and diversity of organizational resources needed to compete have been found significant in predicting competitive responses. If a response requires substantial resource commitment and major organizational restructuring, competitors are less likely to respond promptly (Chen & MacMillan, 1992; Chen & Miller, 1994).

As often noted in resource-based literature, firm capability extends the concept of intangible resources to include various organizational routines (Collis, 1991; Winter, 1987). In competitive markets, firms are motivated and equipped to respond effectively to situations that call for standard responses by drawing on pre-established routines (Allison, 1971). Defensive market actions are feasible when the defender has similar resource capabilities to the attacker in terms of strategic resource endowments.

Although terminology has varied (Peteraf, 1993), there is broad consensus in management literature regarding the characteristics of resources that contribute to sustained competitive advantage. At the most basic level, such resources must be valuable (i.e., capable of producing rents) and non-substitutable (Barney, 1991; Dierickx & Cool, 1989). In other words, for a resource to maintain enduring value, it must contribute to a firm's competitive capabilities in a way that cannot be easily replicated by other means. They must not be widely available within an industry and/or must be closely associated with a particular organization, making them difficult to transfer or replicate (e.g., brand reputation or exclusive supply agreements). While physical and financial resources may provide a temporary advantage, they are often readily available in factor markets to competitors or new entrants. A special historical way enables a business to get a useful resource that anyone can't easily gained.

The choice made in the allocations for organizational properties is done by strategical decisions for the coming performance outcome.

The ongoing actions and activities of organizational processes lead to resource deployment, which is termed strategy (e.g., Mintzberg, 1978). Resource allocation and evolving strategic choices are interconnected elements within a single phenomenon, where resource allocation often initiates strategy development. Thus, it can be said that strategies emerge from resources, which in turn

generate further resource needs. Together, these elements align with option theory. Option theory suggests that strategy is an investment decisions through the process of organization's resources (Bowman&Hurry; 1993)
With a strong foundation in financial economics and extensions to strategic management, the option lens offers an economic rationale for the behavioral process of incremental resource investment (Dixit, 1992). Previous researchers using option insights have focused on strategies related to specific options. Instead of relying on specific strategies, it demonstrates how strategies emerge from an organization's resources and evolve over time in various ways. Within this process, multiple interrelationships occur, such as those between resources and choices, between investment and growth opportunities, and among organizational learning, investment size, and investment timing.

Porter (1980), Resource allocation is a recurring theme in strategy literature, focusing on the efficient use of organizational resources. An efficient resource allocation process provides the firm with opportunities to create competitive barriers or to undertake acquisitions and divestitures that reduce transaction costs (Williamson, 1975).

2.1.2.6. The Connection Between Organizational Culture and Organizational Performance

This part explores two distinct approaches regarding the potential connections in organizational culture and its performance (Kiilic, 2009):

i. The Kotter and Skeet's: This approach posits that organizations achieve uniformity through strong alignment with stakeholders, clients, and employees. a system of common beliefs in the organization sustains the culture of successful.

ii. Deal and Kennedy's: According to this perspective, a robust culture can significantly influence business success by facilitating organizational learning from both successes and failures (Yuksel, 2002). Several assumptions underpin the relation within the powerful organizational culture and its performance:

a) Agreement on goals

b Motive

C) Self-discipline

Daulatram (2003) asserts that a robust organizational culture enhances overall job satisfaction, thereby improving efficiency and heighten organizational broadened performance. Kilim (,2009) represented there are Eight effects of OC culture and performance.

a). Communications

b) Decision maker

c) Trust building

d) Stress management

e). Conflict resolution

f) Sense of belonging

g) Motive

h) Adaptation to institutional change

2.1.3. Innovativeness

2.1.3.1. Definition of Innovation

what really prior attempts constitute to the term ‘innovation’’ in different perspectives. Accordingly, there are two terminologies innovativeness with innovation to be differentiated each other and the interchangeable usage. Damanpuor (1991).

The concept of innovativeness emerged in twentieth century, evolving from earlier practices of imitation and invention that date back to 16th Taylor (2017). In 16th and 17th centuries, copying often implied innovation, as European traders were granted licenses to trade on products of existent. in 18th century, modifying imported goods was considered an act of invention aimed at enhancing their quality. The industrialization of the nineteenth century, coupled with advancements in machinery, further contributed to the notion of invention (Taylor, 2017).

The term "innovation" gained prominence alongside the development of economic theory in the twentieth century, particularly in explaining technological change and its impact on economic and social dynamics. Over time, innovation has expanded its scope across various disciplines, acquiring diverse interpretations and conceptual in 21st century (Tayllor, 2017; Fadih etal., 2016).

2.1.3.2. Innovation types

The innovativeness, whether the mechanism or guided by creativity, fosters the creation of novel concepts, the advancement that inventions of ideas and technological product, methodologies, strategies, and market places for attain fresh competitor edge (Bhupendra, S Sangle, 2021) This comprehension regarding the creation of fresh products and technologies may correspond to PDI,

while devising novel industry or businesses organization associated with business process innovation (BPI). Establishing new systems and fostering a suitable culture a midst shifting market conditions offers insights into the evolving behavioral dimensions of organizational members, akin to BVI. Venturing into and harnessing fresh industry, whereas pioneering strategies to enhance competitive positioning can exemplify.

"PDI" is delimited to "originality and significance of new products introduced into the market" (Wanng & Ahimed; 2004). "BPI" is described as the "introduction of new production methods, management approaches, and technology aimed at enhancing production and management processes" (Wanng and Ahimed, 2004). certain reviews, "BPI" is depicted the component in organizational invention linked to main duties, artifacts, and processes in the administration within an organization (Zu etal., 2008).

"BVI" is portrayed as an aspect of organizational innovation that fosters a company culture conducive to the decision to be done and a solution for the problem. (Valiipour etal., 2017).

"MI" encompasses innovative approaches by identifying and understanding new markets and leveraging existing markets (Ali etal., 1995). It also involves inventive methods for conducting market research and executing advertising and promotional campaigns (Andrews and Smith, 1996).

"SI" involves a "fundamental re conceptualization of the business's essence, leading to a substantially different approach to operating within an established business" (Markides, 1998).

2.2. TheEmpirical Evidence

2.2.1. Organizational culture

Organizational culture, by Schein (1990), refers to the structure for common beliefs, and values in time period, shaping norms of behavior utilized of solution for the problem. Inside the organization, a cultures comprising of its members as a competitive advantages i.e. beliefs, assumptions, values, cognition, and behaviour (Hiall & Petraf; 1993). this influences the organizations processes, consolidates organizations capableness, offers solutions to organizational challenges, and either impedes or facilitates the organization's goal attainment (Yilmaz, 2008). OC culture embrace common thoughts, ideas, hopes and behaviour binding the institution. Robbins, describes this a unit the organization composed of a shared cognition, a system in shared meanings as a framework governing interactions within and the outside.

As, Kallyani (2011), defining innovativeness cultures like; transparent, cooperation, belongings, pro activity, autonomous etc. Also, quinn &Spretser (2001) describes there are four kinds of Organizational cultures: team culture, hierarchical culture, entrepreneurial culture and rational culture. And organizational culture revolves around the assumptions, shared ideas, and ideologies exercised by members with in the institution.

2.2.1.1. Organizational culture types

As Sinnha (2000), delineates, cultures are differentiated based on several factors, from one another.

Strong Vs. weak culture: OC cultures can be categorized by the extent of having common values amongst the followers with the execution of this values i.e. strong culture and weak culture. A strong culture fosters behavior consistency among members, while a weak culture allows for individual concerns.

Soft Vs hard culture: this types may arise with organizations with conflicting goals, where employees prioritize personal or sectional interests. An example is seen in some governmental organizations, the managers refrains from taking measures on employees in order to secure sustainability, resulting in work being less prioritized.

Formal Vs. informal culture: an organization's work premises mostly affected by formal divisions, such as accountability and transparency, responsibility, rules and regulations which set expectations and consequences for members.

2.2.2. Innovativeness

The introduction of a new production in goods or procedure/process, fresh commercialize approach, the novel institutional strategy within spheres constitutes innovation. To elaborate more; there are four types of innovations

Firstly, product innovation entails significant enhancements of capabilities of both goods and service. encompassing significant improvements on products and introducing new production of goods and provision of services.

Secondly, process innovation involves changes to production and delivery resources.

Thirdly, organizational innovation pertains to the adoption of new organizational strategies and practices, either within the workplace or in external relationships.

Lastly, marketing innovation involves in implementation of new marketing policies, which may encompass alterations in product features, packaging, and promotional strategies (Khawar Hussain, Adnan Safi, Ali Zeb, Fazal Akbar, Muhammad Rabnawaz & Faheem Zeb; 2021).

2.3. Hypothesis development

2.3.1. Innovation and performance

Researchers have been studied innovativeness and performance in different horizons of organizational innovation. “Innovation is the implementation of a new or significantly improved product or process, a new marketing terminology or a new organization approach in the field of business” (OECD 2010 & EUROSTAT 2005)

Ha.1) There is a positive and significant relationship between innovation and performance.

2.3.2. Organizational Culture and Innovation

Previously, many studies have been conducted on the importance of innovation to organization's success (Crossan and Apaydin, 2010). These successes due to innovation may perhaps hinge on the culture levels within the organization. As a result, OC cultures classified as environmental, organizational; refers to strategical, financial with leadership and HR management (Munford; 2000) . and individual levels. Organizational culture is a set of day-to-day norms and practices within the work environment as seen and observed by those employees who work in the organization (Choueke and Armstrong 2000). OC culture is seen by employees I.e. the framework of assumptions, cognition's, behaviour etc. Are exercised and shared with in the organization (Baron&Greenberg;1995). Organizational culture is also considered a conventional stable arrangement of beliefs and norms, which are commonly held by a group or departments within an organization (Kotter and Heskett, 1992). Hence, Hartmann (2006) posited that organizational culture stimulates innovative activities among individual members of an organization. The four OC cultural attributes are: Hierarchy, Market, Clan, aand Adhocracy.

Ha.2) organizational culture has a positive and significant effect on innovativeness

Ha 2.1) Clan culture has a positive and significant impact on innovation.

Ha 2.2) Adhocracy culture has a positive and significant impact on innovation.
Ha 2.3) Hierarchy culture has a positive and significant impact on innovation.
Ha 2.4) Market culture has a positive and significant impact on innovation.

2.3.3. Organizational culture and organizational performance

Studies shows; organizational performance tries to enhance with in innovation, suggesting an indirect relationship between organizational culture and firm performance. However, the literature posits that organizational culture directly influences employee attitudes and behavior (Galves and García, 2011; Tarba et al., 2019). Additionally, the resource-based view of organizations underscores organizational culture as a key source of competitive advantage (Coyne, 1986).

Various studies highlight several culture yield many impacts on performance. For instance, Gordon and DiTomaso (1992) conducted a study across several US organizations, examining the impact of cultural orientation—flexibility versus constancy—on economic performance. They found that organizations emphasizing flexibility generally achieve higher economic output than those emphasizing stability.

Here under; the hypotheses are developed for this particular study:

Ha.3) Organizational culture has a positive and significant effect on organizational performance.

Ha.3.1) Clan culture has a positive and significant effect on organizational performance.
Ha.3.2) Adhocracy culture has a positive and significant effect on organizational performance.
Ha.3.3) Hierarchy culture has a positive and significant effect on organizational performance.
Ha.3.4) Market culture has a positive and significant effect on organizational performance.

OrganizationalInnovationas a Mediator of Organizational Culture

OC plays a significant part, fostering advanced behaviour, in shaping of employees conduct. OC serves as a leading value in individual actions and problem-solving endeavors. Herzzog (2011), referenced by Muhammad. A (2019), underscores OC strongly influences innovation and its success. Previous research has also highlighted innovative behaviour can be predicted by OC culture (Eskiler, Ekici, Soyer, & Sari, 2016; Muhammed.A, Rizki, Parashakti, & Saragih, 2019). Moreover, OC positively impacts its performance by fostering innovativeness (Tang and Yeh, 2015).

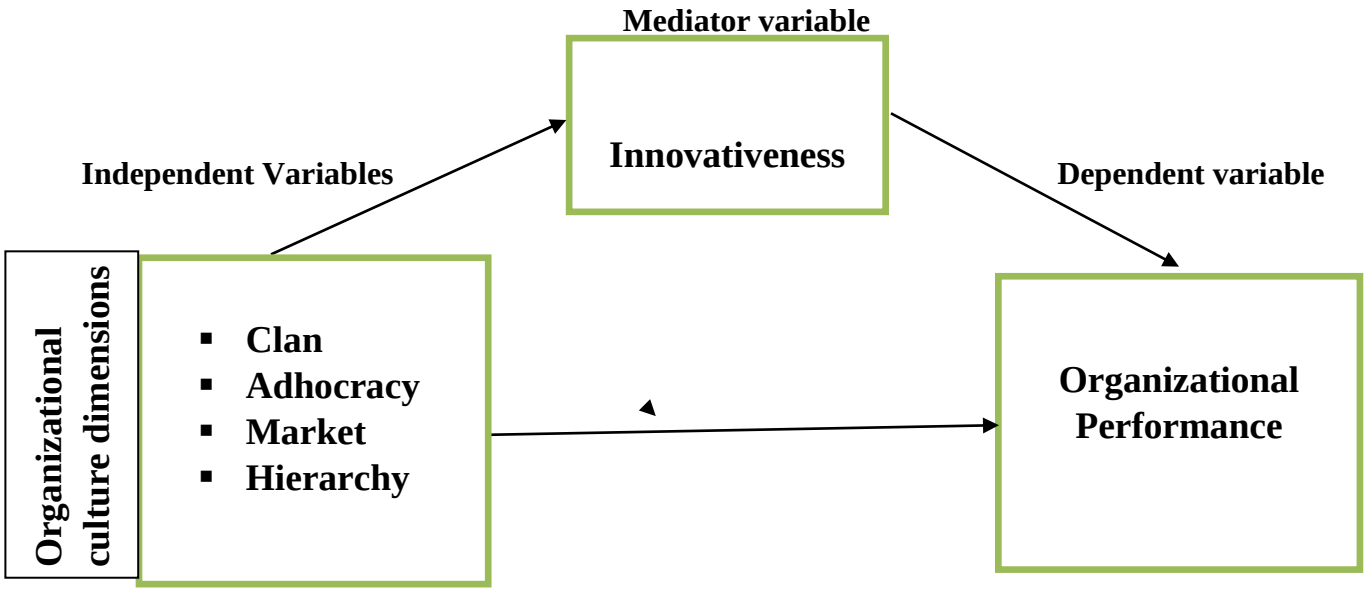
Thus, the underhypotheses developments is developed:

Ha.4)InnovativenessmediatestherelationshipbetweenOrganizationalculture and

organizational performance

2.4. The Conceptual Frame-work

This hypothetical framework is a model that is useful for identifying the basic concepts and the relationships of the variables in the research (Karuru&Okola; 2005). the diagram prevails the relations within the independent and dependent variable. Assumed that organizational culture has a positive impact on performance. And also Performance is impacted by innovativeness I.e. a mediator variable. To find out the relationships between the independent, dependent and the mediator variable, the researcher established the conceptual framework. As a result, the independent variable in this study is organizational culture dimentions, the dependent variable also is the organizational performance and the mediator variable is innovativeness.



Source: (own survey (2022).

Figure 2 Conceptual framework

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Research design

The relevant issues in relation to the research such as study purpose, study location, type of investigations, the researcher extents and According to Sekaran and Bougie (2010), the considerations of interference, the time-frame of the study, and the unit of analysis are critical components in research design. Studies are generally categorized into three primary types based on their objectives: exploratory research, descriptive research, and explanatory research. (Saunders, Lewis and Thronhill (2009). Among these, the appropriate research design is explanatory design because it emphasizes discovering the relationship between organizational culture, Innovativeness, and organizational performance.

3.2. The Research Approach

The researcher adopts Quantitative approach. In order to explain and predict the phenomena on larger sample size and in order to acquire an in depth understanding of facts and reasons of the occurrence (Saunders, Lewis, & Thornhill, 2009).

3.3. The Population and Sample size

The whole employees and management staff of Cadila pharmaceuticals plc are the population data of this study. those are found at the main office and the factory and plantation. The total population number who are currently working in the organization is 347. (Cadila, HR database of employees)

Sample size determination is based on Yamane's (1967) formula: $n = \frac{\mathrm{N}}{1+N\,(e)2}$

N= total population

K= constant (1)

n= sample size

e= margin of error expected (0.0025)

Confidence level 95%= 1.96(critical value)

$n = \frac{347}{1+347(0.05)2}$ = 186 is the number of responses from the respondents to maintain a 95% confidence interval.

Ten percent (10%) of the total sample size is added as an attrition rate for any drop out of the study Subjects during the study period. n = 186 + (186 x 10%) = 205 respondents

3.4. Data source and type

Primary source of the data is from study participants through questionnaires i.e. distributed to employees of Cadila Pharmaceutical Plc and analyzed.

3.5. Data Collection Methods

Methods of data collection are different in terms of the research. Likewise; surveys, observations, or secondary data e.t.c. depends on the research purposes (Zikmund, 2000). for this research design Questionnaires are favored to mitigate the likelihood of respondents concealing information and to gather meaningful data.

3.6. Research Instrument

In this part will provide the detailed overview in the construction of the questionnaire utilized along with measurements employed.

3.6.1. Measurements ofthe Variables

In this part the items were chosen based on the reliability and relevance as per the previous studies aligning with a research objective. Data collection was conducted through a questionnaire adapted from studies by Tsegaye (2021). the Likert scale has a five-point measurement, i.e. from strongly disagree (1) to strongly agree (5), was employed for all items excluding the demographic variables such as age, gender, service years, educational level to ensure consistency. It is assumed that all indexes should be treated as equally and interchangeably, thus, considered to be at the interval. Consequently, all the variables, except for age, gender, work experience, and educational background, are considered to be the interval scale.

3.6.2. The IndependentVariable

a research approach employed in this study focused on OC culture. All items used originated from Organizational Culture Assessment Instrument (OCAI), developed the Competing Values Framework (CVF) by Cameron and Quinn (1999), which is widely recognized and utilized. The scale comprises thirty-four items categorized into four components: 1. Clan culture, denoted by CC= 10 items. Adhocracy culture, AC=9 items. Market culture, MC=4 with four items and.

Hierarchy culture,HC= 11 items. While these attributes inside the constructs are defined, together, they indicate the overall form of organizational culture. Hence, the items have been aggregated to a single higher-order variable termed "organizational culture" in the analysis.

3.6.3. The Dependent Variable

The Dependent Variable Organizationalperformance has five items. the items were usedinthe questionnaire from Tsegaye (2021).

3.6.4. Mediator Variable

innovativeness pertains the extent in developing novel services. The items utilized to assess organizational innovation are derived from the work of Stig Ottosson, Anastasiia Moldavska, and Olga Ogorodnyk (2017). The scale comprises three items and gauged through composite Service innovations, Process (administrative) innovations, and Innovativeness (innovative culture). items of questionnaire can be provided in Appendix 2.

3.7. Methods of data analysis and presentation

Questionnaire results was sorted in SPSS version 26 and primary data analyzed using descriptive statistics with Mean, Frequency, Percentage, and Standard Deviation. Analysis of the inferential statistics I.e Pearson Coefficient of Correlation were used as a measure of the findings correlation between the two variables. Multivariate analysis i.e. structural equation modeling was conducted to anticipate a result in the dependent variable (organizational performance), independent variable (organizational culture) and, mediator variable (innovativeness) Once all pertinent data was gathered and organized using various data collection methods, conclusions were drawn from the findings of the study. Subsequently, recommendations were presented based on the analysis of the collected data.

3.8. Validity and Reliability

Ensuring the validity and reliability of instrument scores, along with adhering to additional standards for making knowledge claims, enhances the credibility of data interpretations, resulting in meaningful insights.

3.8.1. Validity

Kothari (2004) states that Validity stands as the paramount criterion, denoting the degree of a tool accurately measuring its intentional. to ensure validity and reliability, the researcher employed

questionnaires that underwent scrutiny and adjustments based on relevant literature pertaining to a point. Additionally, approving from advisor and experts was sought to enhance face or content validity. Before a commencement of the pilot test were conducted of the actual data collection by disseminating 10 sample questionnaires.

3.8.2. Reliability

The reliability was assessed using Cronbach's Alpha (α), all items are found to be > 0.7 a coefficient that estimates the internal consistency of a measurement scale. Cronbach's Alpha is a useful measure for determining the internal consistency of tools that lack definitive right or wrong answers, making it suitable for questionnaires with rating scales (Black & Leslie, 1999). the reliability of the questionnaires for likert scale were checked by Cronbach's alpha.

3.9. Ethical Considerations

Ethical considerations are paramount in research endeavors. Prior to the data collection process, all pertinent details about the study, including the identity of the researcher, the purpose of this research, relevant data of responder may wish to go through, provided with participants. This ensured as they could make informed decisions regarding their participation. Participants were assured that they would not face any negative consequences as a result of their decision to participate or not. Moreover, they were secured of anonymity; and confidentiality regarding their responses.

CHAPTER FOUR

4. RESULT AND DISCUSSION

The data analysis performed in SPSS version 26 is presented in this chapter. The findings are categorized into two main areas: (1) the results of the preliminary measurement model validation analysis, which includes dimensionality, internal consistency, and confirmatory factor analysis of the latent variables employed in the study. This aids in our decision-making regarding the appropriateness of the scale items in the questionnaires to meet the goals and objectives of the study; (2) the following category deals with data analysis and findings from the substantive sample of 205 respondents, which is randomly selected from a total population of 347. This category's output includes the following outcomes: descriptive statistics, mediation effects, exploratory factor analysis, confirmatory factor analysis,andstructuralequation modelingaccordingly findingsfrom the analysis are presented below.

4.1.Response rate of respondents

In this study, questionnaires were disseminated to 205 respondents. Of these, 187 were returned and used for quantitative analysis and discussion, resulting in a response rate of 91.2%, which is an acceptable percentage and which further analysis could be conducted without significant concerns. Fortunately, data quality has not been a concern, likely because the survey tool mandates that all questions must be answered, ensuring complete responses for every question

4.2. The Demographic Characteristics of Respondents

Table 1 Demographiccharacteristics ofrespondents

VARIABLES	CATEGORY	FREQUENCY	PERCENTAGE
Gender	Male	87	46.5
	Female	100	53.5
Age	21-30	52	34.76
	31-40	73	39.00
	41-50	42	22.50
	51-60	20	10.70
Experience	Below 2years	63	33.7
	2-5years	52	27.8

	5-7years	52	27.8
	Over 8years	20	10.7
Educational level	Secondarylevel	1	0.5
	Certificate/Diploma	57	30.5
	Bachelor degree	119	63.6
	Master degree	10	5.3
Current Positions	Senior management	31	16.6
	Middle management	42	22.5
	Operative	114	61

Source: surveydatausingSPSS26

Descriptive statistics based on demographic variables indicate that 87 men and 100 women participated in the survey, representing 46.5% and 53.5% of the total sample, respectively. Regarding age distribution, the largest groups of participants were aged 21-30 years (35%), 31-40 years (39%), and 41-50 years (22.5%), with only 20 respondents (10.7%) aged between 52-60 years. In terms of educational attainment, 5% of respondents had a secondary-level education, 30% held a certificate or diploma, 63.6% had a bachelor's degree, and 5.3% had a master's degree. Examining the work experience of respondents, 63 (33.7%) had less than 2 years of work experience, 52 (27.8%) had between 2-5 years, another 52 (27.8%) had between 5-7 years, and 20 (10.7%) had over 8 years of work experience. The study respondents were of working groups: senior managers, middle managers, and workers or operators. According to Table 1, the respondents included 31.1% senior managers, 22.2% middle managers, and 61% workers or operators.

4.3. **Data analysis**

4.3.1. Assessing the Sample Size

Several guidelines and rules of thumb have been proposed to determine an appropriate sample size for SEM. A common recommendation is the sample should be at least 100 to 200, as suggested by Kline (2015). For this study, a sample size of 205 was used, which was found to be sufficient as per the recommendation for structural equation modeling and performing factor analysis.

4.3.2. Assessing Common Method Bias

Assessing and reducing Common Method Bias (CMB) is essential in survey research to ensure the validity and reliability of the findings. CMB occurs when measurement error is introduced by the method used to collect data, rather than reflecting the constructs being measured. This bias can inflate or deflate relationships between variables, leading to misleading conclusions. (Podsakoff et al. (2003)

This study Procedurally ensures respondent anonymity and confidentiality which helps reduce social desirability bias, A brief introductory section questionnaire was placed, and participants were informed for each question there were no right or wrong answers, freedom of choice were given to the participants this helped in reducing evaluation anxiety. Each item of the questionnaire was improved by making them Neutral Wording, eliminating ambiguity by using simple language, and avoiding technical jargon.

4.3.3. Assessing Missing Data

While there is no universally agreed-upon threshold, researchers generally consider a data set with less than 5% missing data to be manageable and unlikely to bias the results significantly (Schafer, 1999). it is generally argued small amounts of missing data (less than 5%) can often be ignored or handled with simple methods. it was determined that no data were missing. As a result, the researcher proceeded by 187 complete questionnaires for additional analysis.

4.3.4. Assessing outliers

Outliers are observations that deviate significantly from the overall pattern of data. They can arise from various sources such as measurement errors, data entry errors, and variability in the population, or they may represent rare, but legitimate occurrences (Tinsley and Brown, 2000). Kline (2005) Handling outliers is crucial because they can distort statistical analyses and lead to misleading conclusions.

Researchers converting raw scores into z-scores, so researchers can easily identify outliers, which are typically defined as observations with z-scores beyond a certain threshold, commonly ±3. This method is grounded in the assumption of normality, where the bulk of data points (about 99.7%) fall within three standard deviations of the mean according to the empirical rule (Moore, McCabe, & Craig, 2016). There were No uni-variate outliers were found according to these criteria. For multivariate outlier analysis, Kline's recommendation was followed, using the Mahalanobis

distance (D2) with a p-value threshold of 0.005 (2010). Since all of the values were greater than 0.005, all data were included in the SPSS output.

4.3.5. Assessing MultiCollinearity Assumption

VIF quantifies how much the variance of the estimated regression coefficients is inflated due to multicollinearity. It measures the severity of multicollinearity for each predictor variable in the model. While Tolerance measures the proportion of variance in a predictor variable that is not explained by other predictor variables in the model. It quantifies the degree to which a predictor variable is independent of other predictors. According to Belsley,et al. (1980) above 5 for VIF and below 0.2 for tolerance are used to identify problematic multicollinearity. In this thesis the researcher adopted the cut-off values of 5 for VIF and 0.2 for tolerance as suggested by Sekaran and Bougie (2013). As presented on below table the all the values are within the acceptable range.

Table 2 collinearity statistics

	CollinearityStatistics	
	Tolerance	VIF
ClC	.359	2.79
MaC	.363	2.75
HiC	.476	2.10
AdC	.389	2.57
InC	.478	2.09

Dependent Variable: PO

Source: surveydatausingSPSS26

4.3.6. Assessing Normality Assumption

Assessing the normality assumption in statistical analysis is essential for ensuring the validity of parametric tests and regression models. Skewness and kurtosis measures were used in this study to evaluate the departure from normality in a dataset. Kurtosis measures whether the data peakedness or flatness compared to a normal distribution, while skewness measures the symmetry of data. For the data to be considered normally distributed kurtosis and skewness values should fall between -2 and 2 on the rule of thumb. As a result, the examination of all variables presented below suggests that the data set conforms to a normal distribution. (Hair et al., 2006, as cited by Hussaini et al.).

Table 3 NormalityTestSkewness and Kurtosis

	AdC	ClC	HiC	MaC	InC	PO

Skewness	-.076	-.115	.103	-.200	-.105	-.110
Std. Error of Skewness	.178	.178	.178	.178	.178	.178
Kurtosis	-.097	-.709	.097	-.165	-.217	-.312
Std. Error of Kurtosis	.354	.354	.354	.354	.354	.354

Source: surveydatausingSPSS26

4.4.Factor analysis

Factor analysis is a statistical technique used to uncover underlying patterns or structures within a dataset by identifying common factors that explain the correlations among observed variables. It aims to reduce the dimensionality of the data while preserving as much of the original variance as possible. By summarizing the relationships among a large number of variables into a smaller number of latent factors, factor analysis helps researchers understand the underlying structure of complex datasets and identify meaningful dimensions or constructs. (Tinsley and Brown, 2000; Thompson, 2004, as cited by Hussaini et al., 2018). Factor analysis eliminates redundancy among correlated variables by representing them with derived variables. It operates on the assumption that complex phenomena can be explained using the fundamental dimensions of factors rather than the entire factors (Stevens, 2002, as cited by Hussaini et al., 2018). Factor analysis techniques include exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), each with its own set of assumptions and methods.

4.4.1. Exploratory Factor Analysis (EFA)

Exploratory factor Analysis (EFA) uncovers the underlying structure of a set of observed variables without preconceived hypotheses about the number or nature of the underlying factors. It aims to identify the patterns of relationships among variables and group them into latent factors that account for the common variance observed in the data enabling the researcher to shorten data into a smaller set of summary variables. EFA is particularly useful for exploring complex data sets and identifying meaningful dimensions or constructs that may not be immediately apparent. According to De Coster (1998, as cited by Hussaini et al., 2018), EFA is employed when researchers seek to classify different factors influencing variables and analyze which variables are associated with each other to establish a fitting structural model (McDonald, 1985, as cited by Hussaini et al., 2018).

4.4.1.1.Factor Extraction

Factor extraction is to identify the underlying factors that explain the patterns of correlations among a set of observed variables. This process involves determining the number of factors and estimating the factor loadings, which quantify the relationships between observed variables and latent factors (Pallant, 2016). the objective of factor extraction is to identify the smallest number of factors that effectively represent the interrelationships among a set of variables, aiming to uncover commonalities. Several factor extraction approaches exist, including principal axis factoring, generalized least squares, maximum likelihood, unweighted least squares, alpha factoring, image factoring, principal components, and alternative methods. (George and Mallery, 2003, as cited by Pallant, 2016).

In this thesis, the principal component method is utilized to extract factors from the results of univariate analysis, with Variamax rotation employed to interpret the factors. To evaluate sample adequacy and appropriateness, the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of Sphericity were conducted using SPSS 26.

The KMO test assesses whether partial correlations between variables are small, with guidelines for interpretation is: Less than 0.05: Poor, 0.5 - 0.6: Average, 0.6 - 0.7: Acceptable, 0.7 - 0.8: Good and Above 0.8: Excellent (Kaiser, 1974).

Additionally, Bartlett's test of sphericity examines whether the correlation matrix is identical (with diagonal values of 1 and off-diagonal values of 0). A p-value less than 0.005 indicates the rejection of the matrix, implying that the variables are completely independent of each other and rendering the factor model inapplicable (Tobias & Carlson, 1969).

Table 4 KMO AND Bartlett's Test

KMO andBartlett's Test		
Kaiser-Meyer-Olkin Measureof Sampling Adequacy.		.890
Bartlett's Test of Sphericity	Approx. Chi-Square	885.517
	df	861
	Sig.	.002

Source: surveydatausingSPSS26

The KMO 0.89 value, classified as excellent according to Kaiser (1974), suggests that factor analysis is appropriate for our dataset. Additionally, the low value of Bartlett's Test of Sphericity

(0.002), as indicated by Tobias and Carlson (1969), further supports the potential usefulness of factor analysis with our data. These findings confirm the applicability and suitability of conducting factor analysis on our dataset.

4.4.1.2.Communality

Principal component analysis (PCA) begins by utilizing certain variables and common factors. It starts with the assumption that all variations are equal, hence before extraction, communalities are set to one (1). PCA used for dimensionality reduction and to simplify complex datasets while preserving as much variance as possible. It transforms a set of possibly correlated variables into a set of linearly uncorrelated variables called principal components. These components are ordered so that the first few retain most of the variation present in the original variables. Communalities represent the proportion of variance in each variable that is accounted for by the extracted factors. In our dataset, entire variables showed high communalities, exceeding 0.5 (refer to Appendix 3).

4.4.1.3.Total Variance Explained

Total variance, as determined by Eigenvalues, aims to identify the factors that account for the majority of variances in the data (Kim and Mueller, 1978). provides a summary of the amount of variance in the observed variables that is accounted for by the extracted factors. This measure helps determine how well the factors capture the underlying structure of the data. It is typically presented in a table that includes the eigenvalues of each factor, the percentage of variance explained by each factor, and the cumulative percentage of variance explained by all the factors. Factors with eigenvalues greater than 1 are usually considered significant, following the Kaiser criterion. Understanding the total variance explained is crucial for interpreting the effectiveness of the factor extraction process and ensuring that the selected factors adequately represent the data. (Kaiser, 1958).

4.4.1.4.FactorRotation

Aims to achieve a simpler, more interpretable structure by adjusting the factors' axes while preserving the overall fit of the model. This process helps to clarify the factor loadings, making it easier to identify which variables are associated with which factors. There are two primary types of factor rotation: orthogonal and oblique. Ther three main orthogonal rotation techniques are Varimax: The most common orthogonal rotation, it maximizes the variance of squared loadings of a factor across variables, making high loadings higher and low loadings lower. Quartimax: Focuses on simplifying the rows of the factor matrix, attempting to make each variable load highly on one

factor. Equamax: Combines features of varimax and quartimax rotation.

In this study, as recommended by Field (2005, as cited by Hussaini et al.), an absolute value of 0.50 was utilized allowing for the observation of values greater than 0.5. This helps emphasize the importance of items relative to their respective factors. The factors were organized into seven by the rotated component matrix. One variable (PO) was excluded as it had no value in the rotated component matrix. Competitive aggressiveness was spread across two variables: market culture and hierarchy culture. The analysis was conducted multiple times until the factor extraction criteria were satisfied.

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PatternMatrix

Table 5 pattern Matrix

	Factor					
	1	2	3	4	5	6
ClC1		0.668				
ClC2		0.607				
ClC3		0.63				
ClC4		0.787				
ClC5		0.812				
ClC6		0.721				
ClC7		0.755				
ClC8		0.801				
ClC9		0.778				
ClC10		0.791				
AdC1					0.702	
AdC2					0.675	
AdC3					0.62	
AdC4					0.708	
AdC5					0.567	
AdC6					0.501	
AdC7					0.618	
AdC8					0.5395	
AdC9						
HiC1	0.811					
HiC2	0.801					
HiC3	0.863					
HiC4	0.815					
HiC5	0.936					
HiC6	0.909					
HiC7	0.855					
HiC8	0.953					
HiC9	0.918					
HiC10	0.908					
HiC11	0.882					
MaC1						0.763
MaC2						0.75
MaC3						0.605
MaC4						0.548
InC1			0.543			
InC2			0.585			
InC3			0.627			
PO1				0.609		
PO2				0.763		
PO3				0.75		
PO4				0.605		
PO5				0.738		

ExtractionMethod:MaximumLikelihood.

RotationMethod:varimaxwithKaiserNormalization.[a]

Rotation converged in 6 iterations.

Source: researchers' SPSSoutput

It was determined after the rotation and reduction course; that the remaining exploratory questions adequately addressed the research inquiries.

4.4.2. ConfirmatoryFactorAnalysis(CFA)

Following the identification of the underlying structure through exploratory factor analysis (EFA) and principal component analysis (PCA), confirmatory factor analysis (CFA) was utilized to examine the hypothesis that the relationships between observed variables and their underlying latent constructs adhere to a specific structure. Unlike EFA, which explores potential underlying structures without predefined assumptions, CFA confirms or rejects a pre-specified factor structure based on theoretical or empirical grounds (Tabachnick & Fidell, 2007). Structural Equation Modeling (SEM) is closely associated with CFA and investigates the interactions between latent and observed variables. While observed variables are directly measured, latent variables are inferred from observed variables as they cannot be directly measured. SEM, a comprehensive statistical framework, encompasses techniques like path analysis, simultaneous equations, and latent growth curve modeling (Barrett, 2007).

SEM aims to estimate parameters within a system of simultaneous equations, facilitating the specification of CFA, regression analysis, and complex models (Kaplan & Miller, 2000). Following the establishment of the basic structure using EFA and PCA, model fit indices are employed to evaluate construct validity (Tabachnick, Fidell, & Ullman, 2007). SEM, akin to factor analysis, provides a concise summary of interrelationships between variables. It integrates CFA to examine specific hypotheses about factor loadings and inter-correlations and utilizes linear equation systems resembling path analysis to explore hypothesized relationships between constructs (Holmes Smith, 2007; Weston and Gore, 2006).

Byrne (2001) categorized SEM into the measurement model, focusing on variables intended to measure a concept, and the structural model (or CFA model), which illustrates how latent variables are represented by their indicators and describes relationships between latent variables or constructs. Together, these models form the composite structural model. SEM analyses were conducted using AMOS (Analysis of Moment Structures) software.

4.4.2.1.Measurementmodel

The measurement specifies the relationships between observed variables (indicators) and latent constructs (factors). It represents the underlying theoretical framework by mapping how the observed variables reflect the latent constructs. In the measurement model, observed variables are

hypothesized to load onto one or more latent factors, with factor loadings representing the strength and direction of the relationship between the observed variables and the latent constructs. Additionally, the measurement model often includes error terms to account for measurement error and unexplained variance in the observed variables. Researchers use statistical techniques such as confirmatory factor analysis (CFA) to evaluate the measurement model's fit to the data, assessing the adequacy of the proposed relationships between observed variables and latent constructs. By establishing a well-fitting measurement model, researchers ensure that the observed variables adequately capture the intended constructs and provide a reliable basis for subsequent analyses and interpretations (Brown, 2015; Byrne, 2016).

4.4.2.2.Construct validity

Construct validity refers to the extent to which a measurement instrument accurately assesses the theoretical construct it is intended to measure. It encompasses multiple aspects of validity, including content validity, criterion validity, and convergent and discriminant validity. Establishing construct validity involves accumulating evidence to support the interpretation and use of a measurement instrument within the context of the theoretical framework. Researchers typically employ a variety of methods, such as factor analysis, correlation analysis, and hypothesis testing, to assess construct validity rigorously. By demonstrating that a measurement instrument captures the intended construct effectively and distinguishes it from other constructs, researchers enhance confidence in the validity of their findings. Ensuring construct validity is essential for drawing accurate conclusions and making meaningful interpretations based on the data collected (Messick, 1989; DeVellis, 2017)..

4.4.2.3.Convergent Validity

Convergent validity refers to the extent to which different measures that are supposed to be measuring the same construct are indeed correlated with one another. It assesses whether multiple indicators of a construct converge or come together in their measurements. A high degree of convergent validity suggests that the measures are capturing the intended construct consistently across different items or scales. Researchers typically use statistical techniques such as confirmatory factor analysis (CFA) to evaluate convergent validity by examining the strength and significance of factor loadings, average variance extracted (AVE), and composite reliability (CR). When items intended to measure the same construct exhibit strong correlations and loadings on

their respective factors, it provides evidence for convergent validity. Establishing convergent validity enhances confidence in the reliability and coherence of the measurement instrument and strengthens the overall validity of the research findings (Fornell & Larcker, 1981; Byrne, 2016).

To ascertain convergent validity, it is crucial that critical ratios fall outside the -1.96 to +1.96 z-value range and that p-values are less than 0.05, according to Holmes-Smith (2007, as cited by Hashmi et al., 2021). This indicates that factor loadings significantly differ from zero, which is a fundamental criterion for factor validity assessment. Convergent validity is typically confirmed when standard regression loadings exceed 0.5, with significant p-values at a 95% confidence interval, and critical ratios lie outside the -1.96 to +1.96 z-range (Hair et al., 2006, as cited by Hashmi et al., 2021). Additionally, a squared multiple correlation value above 0.5 is considered indicative of convergent validity, while values below 0.4 are deemed insufficient (Hair et al., 2006, as cited by Hashmi et al., 2021).

4.4.2.4.Discriminant validity

Discriminant validity refers to the degree to which a construct is distinct from other constructs in a theoretical framework. It evaluates whether measures of different constructs in a study are empirically distinguishable from one another. To establish discriminant validity, researchers typically assess whether the correlations between the items measuring one construct are significantly lower than the correlations between those items and items measuring other constructs. This ensures that the constructs under investigation are not merely different expressions of the same underlying concept. Discriminant validity is crucial for avoiding methodological artifacts and ensuring that each construct in a study captures a unique aspect of the theoretical framework. Researchers often employ techniques such as confirmatory factor analysis (CFA) to assess discriminant validity rigorously. Demonstrating discriminant validity enhances confidence in the distinctiveness and integrity of the constructs in a study, thereby strengthening the overall validity of the research findings (Fornell & Larcker, 1981; Byrne, 2016).

In this study, discriminant validity is evaluated by comparing the average variance extracted (AVE) with squared correlations. The model adheres to the discriminant validity assumption, as demonstrated below; the AVE values surpass the squared correlation values (Zaiţ & Bertea, 2011; Holmes-Smith, 2007, as cited by Mbuthia, 2012).

4.4.2.5.Nomological validity

"Nomological validity" refers to the extent to which the relationships between constructs in a theoretical framework align with theoretical expectations and predictions. It assesses whether a construct behaves in the manner expected based on theory and empirical evidence. Achieving nomological validity involves demonstrating that a construct relates to other constructs in theoretically meaningful ways and exhibits patterns of correlations consistent with theoretical propositions (Bollen, 1989). Establishing nomological validity is essential for ensuring the robustness and coherence of a theoretical framework and the constructs within it. Researchers often use structural equation modeling (SEM) techniques to examine the nomological network of constructs and assess the fit of the model to the observed data. By demonstrating nomological validity, researchers strengthen the theoretical foundation of their research and enhance confidence in the validity of their findings (Byrne, 2016).

The researcher operates under the assumption that the model remains consistent with theoretical findings and principles derived from prior research

4.4.3. Goodness of fit

Goodness of fit is a critical concept in statistical modeling, assessing the extent to which a model adequately represents the observed data. It serves as a fundamental criterion for evaluating the validity and reliability of statistical models, providing researchers with insights into the appropriateness of their model specifications and the accuracy of their conclusions. Various fit indices, such as the Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI), and Akaike Information Criterion (AIC), are commonly employed to assess goodness of fit. While there are no universally agreed-upon cutoff values for these indices, higher values of incremental fit indices and lower values of absolute and parsimony fit indices generally indicate better fit. Researchers often rely on established guidelines and thresholds provided in the literature to interpret goodness of fit indices effectively (Hu & Bentler, 1999; Byrne, 2016). Through comprehensive evaluation of goodness of fit, researchers can ensure that their models accurately capture the underlying structure of the data and contribute meaningfully to their field of study.

4.4.3.1.Absolutefit indices

Assess how well the specified model reproduces the observed covariance matrix. They provide information on how closely the model's predicted covariance matrix matches the observed covariance matrix, without comparison to a null or baseline model (Byrne, 2020). explains that

absolute fit indices evaluate how well a model fits the sample data independently, without comparison to other models, and indicate how well the proposed theory aligns with the data. These indices include the Chi-Squared test, RMSEA, GFI, AGFI, RMR, and SRMR.

a. Chi-Square: According to Byrne (2020), The minimum fit function chi-square tests the discrepancy between the observed and model-implied covariance matrices. A nonsignificant χ^2 value indicates good fit, but this index is sensitive to sample size and model complexity. χ^2 is affected by degrees of freedom and sample size, so it's often supplemented by other fit indices.

b. Root Mean Square Error of Approximation (RMSEA): RMSEA measures the discrepancy between the observed covariance matrix and the model-implied covariance matrix, taking into account the model's complexity and the degrees of freedom. Values of RMSEA below 0.05 indicate close fit, values between 0.05 and 0.08 suggest reasonable fit, and values above 0.10 indicate poor fit. RMSEA values are sensitive to sample size, with smaller values indicating better fit.

c. Goodness-of-Fit Index (GFI) and Adjusted Goodness-of-Fit Index (AGFI): The GFI, created by Jöreskog and Sorbom, offers an alternative to the Chi-Square test by calculating the proportion of variance accounted for by the estimated population covariance. The AGFI adjusts the GFI based on degrees of freedom, with more saturated models showing lower fit. GFI values range from 0 to 1, with values of 0.90 or higher indicating well-fitting models, though a cut-off of 0.95 is considered more suitable (Byrne, 2020).

d. Root Mean Square Residual (RMR) and Standardized Root Mean Square Residual (SRMR): are indices used to assess the discrepancy between the observed sample covariance matrix and the covariance matrix implied by the structural model in structural equation modeling (SEM) analyses SRMR values fall within the range of 0 to 1.0, with models indicating good fit achieving values lower than 0.05 (Brown, 2016).

4.4.3.1.1.1.Incrementalfit indices

It is comparation of the chi-square value of the model to a reference point model instead of using the chi-square value directly. In these models, the null hypothesis posits that all variables are uncorrelated (Byrne, 2020).

a. Normed-Fit Index (NFI): This index evaluates the model by comparison its chi-square value to that of the null model, which assumes all measured variables are uncorrelated. Values range from 0 to 1, with values greater than 0.90 initially recommended by Bentler and Bonnet (1980) as

indicative of a good fit, though more recent guidelines suggest a cut-off of NFI ≥ 0.95 (Byrne, 2020). A key drawback of the NFI is its sensitivity to sample size.

b. Comparative Fit Index (CFI): The CFI compares the sample covariance matrix to the null model, which assumes that all latent variables are uncorrelated. Values for the CFI range from 0.0 to 1.0, with values closer to 1.0 indicating a good fit. Originally, a CFI value of 0.90 was considered acceptable, but now a value of 0.95 or higher is recognized as indicative of a good fit (Byrne, 2020).

Parsimony Fit Indices: Byrne (2020) developed two parsimony fit indices, the Parsimony Goodness-of-Fit Index (PGFI) and the Parsimonious Normed Fit Index (PNFI). The PGFI adjusts the GFI for the loss of degrees of freedom, while the PNFI adjusts the NFI for degrees of freedom. Mulaik et al. (1989) suggested that parsimony fit indices within the range of 0.50 are acceptable if other goodness-of-fit indices achieve values over 0.90 (Byrne, 2020).

The CFA measurement model is constructed from the EFA output, including both latent and observed variables. The SPSS rotated component matrix serves as input for the AMOS software used for performing CFA and SEM.

As per Hair et al. (2010, cited by Byrne, 2020), a model is deemed correctly specified if it accurately reproduces the sample covariance matrix. When specification errors are identified, critical ratios (t-values), squared multiple correlations (SMC), standardized residuals, and modification indices (MI) are reviewed to enhance the model. Necessary adjustments might involve removing an item and re-evaluating the measurement model.

Table 6 Proposed latent variables and indicators

No.	Latent variables	Indicators (observedvariables)
1	Clan culture	ClC1,ClC2,ClC3,ClC4,ClC5,ClC6,ClC7,ClC8,ClC9,ClC10
2	Adhocracyculture	AdC1,AdC2,AdC4,AdC5,AdC6, AdC7,AdC8,AdC9
3	Hierarchyculture	HiC1,HiC2,HiC3,HiC4,HiC5,HiC6,HiC7,HiC8,HiC9,HiC10,
4	Innovation performance	InC1,InC2,InC3
6	Organizational performance	PO1,PO2,PO3,PO4,PO5

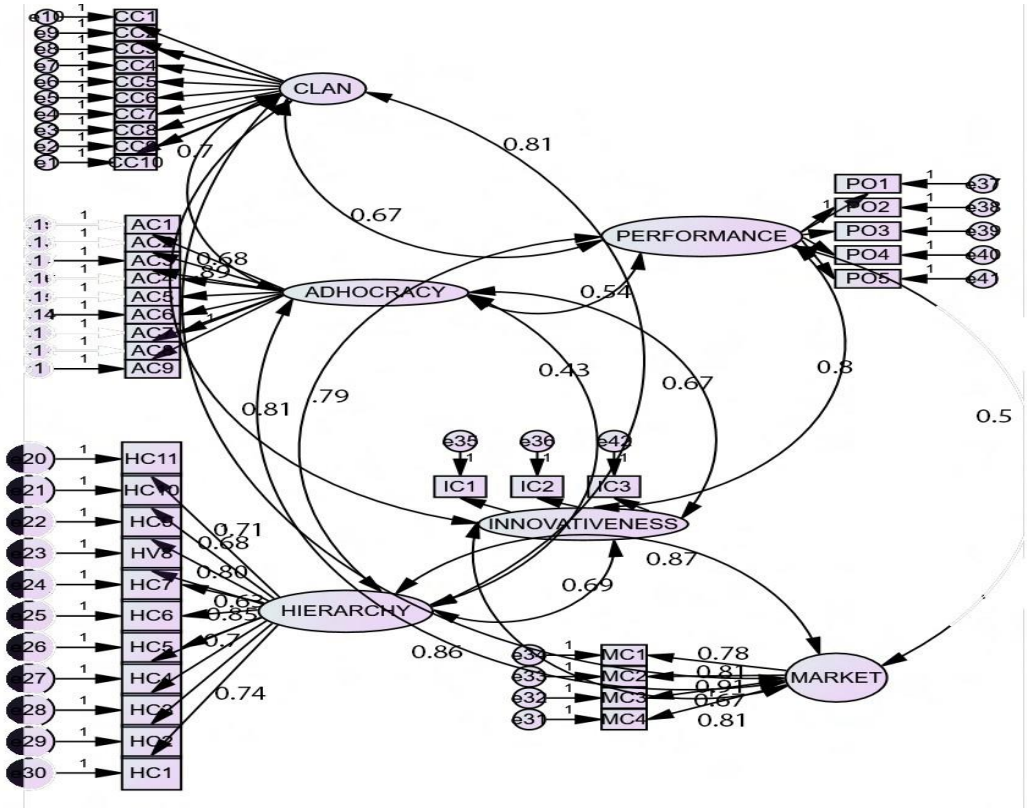

Figure 3 The complete CFA Model (Model2)

Source:researcher ‘s AMOS output

Table 7 Goodness of fit for Model 2

Chi square		***Absolut Fit Indices***		***Incremental FitIndices***		***Parsimony fittest***	
X2 (P value)	840.40 PVALUE (0.000)	RMSEA	0.046	CFI	0.960	PCFI	0.878
Df	544	RMR	0.043	IFI	0.961	PNFI	O.819
X2/df	1.545	CMIN/DF	1.545	TLI	0.957	GFI	0.846
FactorLoadings ***=p<0.001, **=p<0.01, *=p<0.05							

Resultof CFA measurement model for convergentvalidity
Source: Researcher ‘s AMOS output

CFA model 1 was modified to address some fit issues (see Appendix 3). Following the modification indices, the model was re-specified, resulting in an improved model as shown in Table 7. The CMIN/DF value of 1.545 falls within the acceptable range of 1 to 5. Additionally, the RMSEA and RMR values are within the acceptable range of less than 0.08, with values of 0.046 and 0.043, respectively.

The incremental fit indices also indicate a good fit, with values of 0.960 for CFI, 0.961 for IFI, and

0.957 for TLI, all exceeding the acceptable threshold of 0.9. The parsimony fit indices are 0.878 for PCFI, 0.819 for PNFI, and 0.846 for GFI, all above the acceptable range of 0.5. All standardized regression weights (estimates) are significant at a P value of less than 0.001. For convergent validity, squared multiple correlations (SMC) values should not be less than 0.4, and the model shows all SMC values exceeding this threshold, indicating no issues with item reliability and convergent validity.

Discriminant validity was tested using the correlations of each latent variable. All correlations were below the acceptable value of 0.8, confirming discriminant validity among the latent variables. Finally, a structural model was created to assess the relationships between latent and observed variables.

4.5.Final Reliability

Before advancing with the structural model, the instrument's reliability was evaluated following the validation of all the measurement factors underlying the research construct. Cronbach's Alpha, was used to assess the reliability, or internal consistency, of a set of scale or test items. It quantifies how closely related a set of items are as a group a common statistic for evaluating reliability, was used to calculate the coefficient of internal consistency. All multi-item scales based on the recommendation of > 0.7 (Hair et al., 2010 as cited by Byrne, 2020), was tasted to confirming the measurement instrument's reliability. Table 8 shows the reliability estimates for the variables.

Table 8 Cronbachalphavalue ofeach variable

CONSTRUCT	NUMBER OFITEMS	CRONBACH'SALPHA
Clan culture	10	.75
Adhocracyculture	09	.81
Hierarchyculture	11	.75
Marketculture	04	.88
Innovativeness	03	.85
Organization performance	05	.89

4.6.Structuralmodel

4.6.1. Proposedmodel with a mediating variable

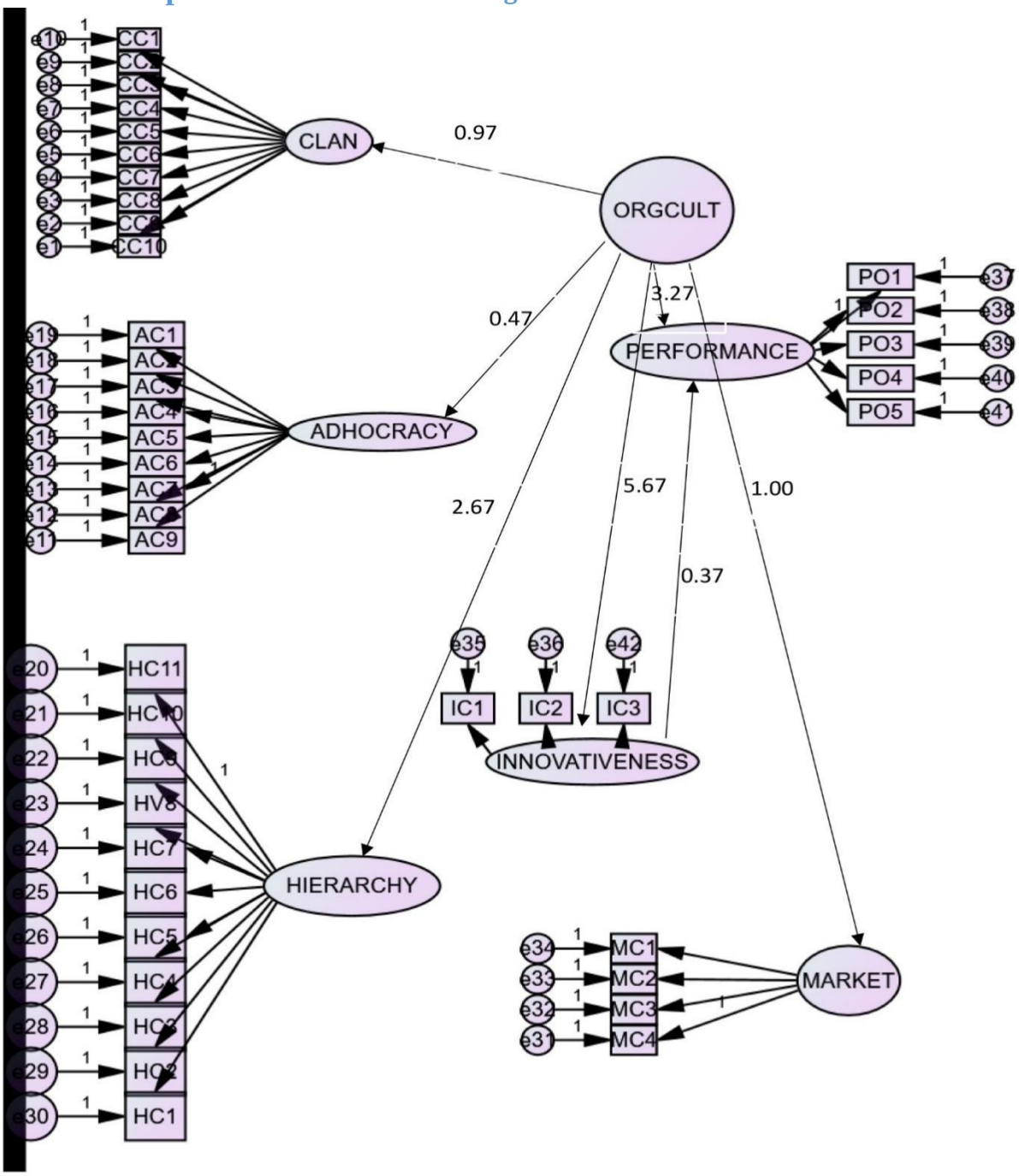

Figure 4 Proposed SEM Model

Evaluating the model fit for the model that includes a mediating variable

Table 9 The Model fit for Model1 a Model with a mediating variable

Chisquare		***AbsolutFitIndices***		***IncrementalFitIndices***		***Parsimonyfittest***	
X2	920.138	RMSEA	0.051	CFI	0.951	PCFI	0.882
(Pvalue)	PVALUE(0.000)						
Df	552	RMR	0.051	IFI	0.951	PNFI	O.822
X2/df	1.667	CMIN/DF	1.667	TLI	0.947	GFI	0.833
INNOVATION	<---	ORGCUL	6.777	1.230	5.509	***	
HIRARCHY	<---	ORGCUL	.893	.091	9.797	***	
ADHOCARCY	<---	ORGCUL	1.000				
CLAN	<---	ORGCUL	.523	.078	6.698	***	
MARKET	<---	ORGCUL	.423	.088	6.716	***	
PERFORMANCE	<---	INNOVATION	.474	.093	5.076	***	
PERFORMANCE	<---	ORGCUL	.293	.146	2.009	.045	
MaC1	<---	MARKET	.959	.050	19.108	***	
MaC2	<---	MARKET	.946	.046	20.717	***	
MaC3	<---	MARKET	.910	.044	20.598		
MaC4	<---	MARKET	1.000				
OP5	<---	PERFORMANCE	.978	.051	19.093	***	
OP4	<---	PERFORMANCE	.935	.052	17.817	***	
OP3	<---	PERFORMANCE	.997	.047	21.223	***	
OP2	<---	PERFORMANCE	1.000				
OP1	<---	PERFORMANCE	.864	.051	16.797	***	
AdC9	<---	ADHOCARCY	.938	.045	20.736	***	
AdC8	<---	ADHOCARCY	.959	.044	21.787	***	
AdC7	<---	ADHOCARCY	.924	.044	21.113	***	
AdC6	<---	ADHOCARCY	.992	.074	13.473	***	
AdC5	<---	ADHOCARCY	1.000				
AdC4	<---	ADHOCARCY	.988	.076	13.052	***	
AdC3	<---	ADHOCARCY	.988	.076	13.052	***	
AdC2	<---	ADHOCARCY	.988	.076	13.052	***	
AdC1	<---	ADHOCARCY	.939	.074	12.735	***	
InC1	<---	INNOVATION	1.000				
InC2	<---	INNOVATION	.812	.067	12.108	***	
InC3	<---	INNOVATION	.732	.077	15.138	***	
HiC11	<---	HIRARCHY	1.000				
HiC10	<---	HIRARCHY	.939	.074	12.735	***	
HiC9	<---	HIRARCHY	.935	.052	17.817	.935	
HiC8	<---	HIRARCHY	.997	.047	21.223	.997	
HiC7	<---	HIRARCHY	.944	.073	12.999	***	
HiC6	<---	HIRARCHY	.899	.072	12.467	***	
HiC5	<---	HIRARCHY	.935	.052	17.817	.935	
HiC4	<---	HIRARCHY	.978	.071	13.717	***	
HiC3	<---	HIRARCHY	.853	.072	11.896	***	
HiC2	<---	HIRARCHY	.944	.073	12.999	***	
HiC1	<---	HIRARCHY	.899	.072	12.467	***	
ClC10	<---	CLAN	.919	.072	12.803	***	
ClC9	<---	CLAN	1.000				
ClC8	<---	CLAN	.988	.072	13.767	***	
ClC7	<---	CLAN	.971	.073	13.237	***	

ClC6	<---	CLAN	.977	.078	12.494	***
ClC5	<---	CLAN	.983	.076	12.999	***
ClC4	<---	CLAN	.932	.073	12.849	***
ClC3	<---	CLAN	.988	.072	13.767	***
ClC2	<---	CLAN	.971	.073	13.237	***
ClC1	<---	CLAN	.977	.078	12.494	***

According to the results, the CMIN/DF value is 1.676, which is within the acceptable range. The RMSEA and RMR values are also within acceptable limits. The CFI, IFI, and TLI values all exceed the acceptable threshold of 0.9. Moreover, all parsimony fit indices exceed the acceptable threshold of 0.5. Consequently, the full structural model, as presented in model 1, is supported and accepted according to the selected fit indices referenced in SEM literature.

4.7.Hypothesis Testing

4.7.1. Discussion of Empirical Findings

This study intended to study the effect of organizational culture (independent variable) on organizational performance (dependent variable), with innovativeness as a mediating variable. The findings were discussed, analyzed, and compared with previous research.

4.6.2. Organizational culture

Ha1: Organizational culture has a positive and significant effect on Organizational Performance

Ha.1.1: Clan culture has a positive and significant effect on organizational performance

Ha.1.2: Adhocracy culture has a positive and significant effect on organizational performance

Ha 1.3. Market Culture has a positive and significant effect on organizational performance.

Ha.1.4: Hierarchy culture has a positive and significant effect on organizational performance

Table 10 Result for Hypothesis 1

Ha1 with mediator	PERFORMANCE	<--	ORGCUL	.289	.144	2.007	.045**
Ha1.4 with mediator	PERFORMANCE	<--	HIRARCHY	.076	.051	1.494	.135
Ha1.3 with mediator	PERFORMANCE	<--	MARKET	.087	.051	1.494	.135
Ha1.2 with mediator	PERFORMANCE	<--	ADHOCARCY	.155	.085	1.811	.070
Ha1.1 with mediator	PERFORMANCE	<--	CLAN	.020	.058	.348	.728
WITHOUT MEDIATOR							
Ha1 withoutmediator	PERFORMANCE	<--	ORGCUL	.906	.098	9.254	**

Ha1.4 withoutmediator	PERFORMANCE	<---	HIRARCHY	.229	.063	3.649	**
Ha 1.3 without mediator	PERFORMANCE	<---	MARKET	.519	.072	4.581	**
Ha1.2 withoutmediator	PERFORMANCE	<---	ADHOCRACY	.648	.077	8.390	**
Ha1.1 withoutmediator	PERFORMANCE	<---	CLAN	.069	.073	.944	.345

** significant, SourceAMOSoutput

Based on the results presented in Table 10, it is evident that organizational culture was determine to have a coefficient of 0.289 when including the mediator and 0.91 when excluding the mediator, with corresponding p-values of 0.045 and 0.000, respectively. These findings are inline with previous studies conducted on organizational culture. Cameron and Quinn (2000) have contended that innovative organizational culture can lead to improved work processes, higher quality products, learning from past errors, proposing solutions, and fostering new ways of thinking, ultimately enhancing innovation and organizational performance. Table 10 also provides the coefficients for Clan culture, Adhocracy, Market and Hierarchy as 0.069, 0.648, 0.519 and 0.229, respectively. Except for Clan culture, which has a p-value of 0.345, the other cultures have demonstrated a positive and significant impact on the organizational performance of Cadila Pharmaceuticals (Ethiopia) PLC. In terms of the association among organizational culture and performance, evidence indicates that Adhocracy culture has the most substantial positive effect on performance. At the same time, Hierarchy and Market culture also have a positive effect. Although Clan culture was found to not affect firm innovation, it does impact performance (Julia, 2015). Considering the findings for the four types of culture, it can be deduced that the balance between flexibility and stability, as well as the orientation towards control, is more crucial than the external versus internal orientation for improving performance. That is, flexibility plays an essential role in enhancing performance. Mediating role of innovation performance.

Ha2: Innovation performancemediatestherelationshipbetween organizational culture and Organizational performance

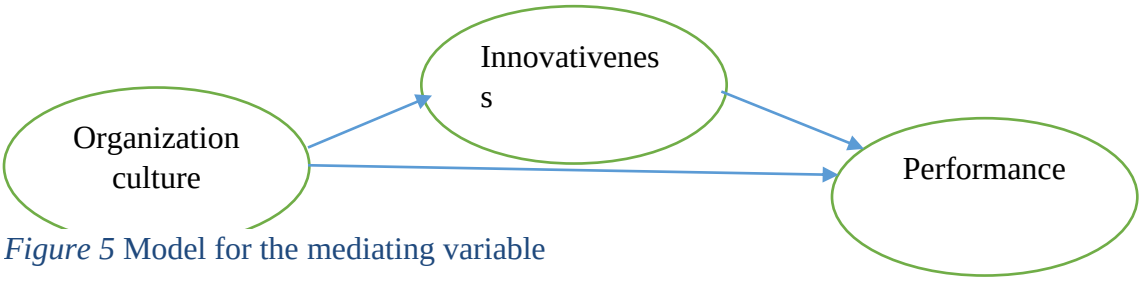

Figure 5 Model for the mediating variable

Table 11 Result for Hypothesis 2

				Estimate	S.E.	C.R.	P	Label	status
Innovativeness	<---	ORGCUL		.801	.085	9.531	***	E	significant
Performance	<---	Innovativeness		.391	.039	8.128	***	F	significant
	parameter	Estimate	Lower	Upper	P	Status			
Ha2:	Indirecttes	.360	.279	.490	0.000	significant			

The mediating role of innovation performance was studied to examine its effect on the relationship between organizational culture and performance. Mediation can be analyzed using either the segmentation or transmittal hypotheses. The segmentation approach requires three hypotheses: the effect of the independent variable on the mediator, the effect of the mediator on the outcome variable, and the overall mediation effect. The transmittal approach involves a single hypothesis stating that the mediator mediates the relationship between the independent and dependent variables (Rungtusanatham et al. (2014).

For mediation to be confirmed There are four according to Baron and Kenny's: The independent variable significantly affects the dependent variable without the media; the independent variable significantly impacts the mediator; the mediator significantly and uniquely affects the dependent variable and the effect of the independent variable on the dependent variable must be reduced when the mediator is included in the model skattebo, 2011).

A drawback of this method is that all four steps must be significant to confirm mediation, and failure in any step leads to the conclusion that no mediation is present. This multi-step process can cause type 1 errors (Rungtusanatham et al., 2014).

Hayes (2009) criticized Baron and Kenny's causal procedure, arguing that the key factor in mediation analysis is the indirect effect (Hayes & Rockwood, 2016). Preacher and Hayes (2008) introduced a method called "bootstrapping the indirect effect," a powerful nonparametric resampling technique for testing mediation. Hair et al. (2013) suggested a similar method for assessing the mediating effect, emphasizing measures of accuracy such as bias, variance, and confidence intervals in bootstrapping.

The bias-corrected bootstrap confidence adjusts for both bias and skewness in the bootstrap distribution, providing more accurate interval estimates as suggested by Hayes and Scharkow (2013). Complete mediation occurs when the independent variable (IV) has no direct effect on the dependent variable (DV) once the mediator is taken into account. This means the entire influence

of the IV on the DV is channeled through the mediator. On the other hand, partial mediation happens when the IV still affects the DV, but this effect is partly transmitted through the mediator, indicating that the mediator explains a portion of the relationship between the IV and DV, but not all of it. (skattebo, 2011)

Baron and Kenny's approach includes categories like competitive mediation, no non-mediation, and direct-only, non-mediation, which may lead to rejection.

Indirect-only Mediation: Occurs when there is a significant indirect effect of the IV on the DV through the mediator, but the direct effect of the IV on the DV is not significant.
Direct-only Mediation: Occurs when there is a significant direct effect of the IV on the DV, but the indirect effect through the mediator is not significant.
Complementary Mediation: Occurs when both the direct and indirect effects of the IV on the DV are significant and point in the same direction.
Competitive Mediation: Occurs when both the direct and indirect effects of the IV on the DV are significant but point in opposite directions.
No mediation: When both the indirect and direct effects are insignificant, indicating a failure to establish mediation.
According to Preacher and Hayes (2008), a statistically significant indirect effect (t-value > 1.96, two-tailed, $p < 0.05$) provides evidence for mediation (Preacher & Hayes, 2004; Zhao et al., 2010).

Table 12 indirect and direct effect of organizational culture on organizational performance

INDIRECT EFFECT		**DIRECT EFFECT**	
	Organizational Culture		Organizational culture
Innovativeness	.000	Inovativeness	.801
Organizationalperformance	.669	Organizationalperformance	.356

Table 13 Total effect of organizational culture on organizational performance

Total EFFECT	
	Organizationalculture
Innovativeness	.801
Organizationalperformance	.895

The above tables (Table 13 and Table 14) indicate organizational culture and organizational performance are complementary or partial mediated by innovativeness.

The analysis of the direct, indirect, and total effects reveals the following:

Direct Effects: The independent variable (organizational culture) has a significant direct impact on the dependent variable (organizational performance). This impact remains even when the mediators (innovativeness) is included in the model.

Indirect Effects: Organizational culture also significantly impacts organizational performance indirectly through the mediators. This means that part of the effect of organizational culture on performance is transmitted through innovativeness performance.

Total Effects: The total effect is the sum of the direct and indirect effects. This represents the overall impact of organizational culture on organizational performance, considering both the direct influence and the mediation by innovativeness.

The results indicate complementary or partial mediation, where both the direct and indirect paths are significant and in the same direction. This suggests that while organizational culture directly enhances organizational performance, it also does so indirectly by improving innovativeness.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary of Findings

The primary goal of this thesis was to examine the relationship between organizational culture and organizational performance at Cadila Pharmaceuticals (Ethiopia) PLC, with a particular focus on the mediating role of innovation performance. To accomplish this objective, four research inquiries were formulated.. A total of 205 questionnaires were distributed to employees, with a response rate exceeding 90%. Structural Equation Modeling (SEM) were used further analysis, employing SPSS 26 and AMOS 21 software.

Key aspects such as Cronbach's alpha, reliability, discriminant and convergent validity, composite reliability, and model fit issues were thoroughly evaluated. The majority of composite reliability values and average variance extracted met the recommended thresholds. Hypotheses were tested accordingly.

Demographic analysis revealed that approximately 54% of respondents were female, suggesting a gender skew in the workforce or the perception of certain jobs being more suitable for women. Most employees were aged between 31 and 40, with a significant portion holding degrees (61%) and having at least 5 years of experience, lending credibility to the responses.

The models indicated that organizational culture significantly impacts organizational performance both directly and indirectly (through innovation performance). However, the direct effect of organizational culture on organizational performance was found to be stronger than the indirect effect.

5.2. Conclusions

The study concluded that organizational culture positively impacts both innovation performance and overall organizational performance at Cadila Pharmaceuticals (Ethiopia) PLC.

Specifically Organizational culture has a significant positive effect on innovation ($\beta = 0.801$), aligning with findings by Muffatto (1998) as cited by Tang & Yeh (2015).

The overall model analysis ($\beta = .365$) demonstrated that organizational culture positively influences organizational performance, consistent with Cameron's (1985) findings.

Innovation had the strongest positive effect on organizational performance (β = .391), corroborating the relationship study by Katheeri (2016) which found a strong link between organizational innovation and performance.

5.3. Recommendations

Based on the results, CADILA should foster its unique organizational culture to attain defined objectives.

- Enhancing top management oversight and implementing task deadlines could bolster overall performance.
- Monitoring departmental time management and establishing regular task schedules may facilitate the attainment of specific goals.
- Formal performance initiatives can further strengthen control mechanisms and operational efficiency.
- Additionally, connecting an innovative culture with a flexible, step-by-step approach to implementation can lead to enhanced performance outcomes.

5.4. Limitations and Future Research

The sample size, though adequate for hypothesis testing, could benefit from being larger and more diverse. Future research should explore additional mediators such as employee motivation, commitment, leadership competency, and political conditions. The study only considered three constructs: organizational culture, innovation, and organizational performance, potentially overlooking other influential factors. The cross-sectional nature of the study limits causal interpretations; longitudinal studies could address causality better. Self-report data may introduce bias; using secondary data sources and evaluating performance through multiple perspectives could provide more accurate results. Individual differences such as personality and intelligence, which might impact performance and innovation levels, were not considered.

In conclusion, while the study provides insights into the relationships between organizational culture, innovation, and performance, it is not definitive. Further research is needed to explore these dynamics in greater depth.

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ANNEX I: QUESTIONNAIRE

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS

POST GRADUATE STUDIES

BUSINESS ADMINISTRATION IN MANAGEMENT

Guidelines:

This survey is designated for current employees chosen from the primary office of CADILA PHARMACEUTICALS (ETHIOPIA) PLC. The purpose of this questionnaire is to aid research being undertaken by a student at Addis Ababa University's School of Business and Economics titled "The impact of organizational culture on organizational performance: The Mediating role of Innovativeness in the case of Cadila Pharmaceuticals Plc in the Addis Ababa city of Ethiopia." Your responses to this questionnaire are highly valuable for obtaining an accurate portrayal for the research. All data you provide will be kept strictly confidential.

Notice:-

- Your identity is not required.
- Mark the box with a "√" corresponding to your answer.
- We value your truthful response.
- Returning the questionnaire promptly is highly appreciated and greatly beneficial.
- If you have any questions, please don't hesitate to reach out to the researcher at:

Email: - tadesse16melkie@gmail.com

Mobile no: - 0915856037

PART A

PERSONAL BACKGROUND

1. Gender Male ☐ Female ☐
2. Age category below30 ☐ 31-40 ☐
   41-50 ☐ ove 50 ☐

3. Educational level
   Secondary level ☐ certificate/Diploma ☐
   Bachelor degree ☐ Master's Degree ☐
4. How long you have worked in CADILA?
   Less than 2 ☐ 2-5 years ☐
   5-7 years ☐ 8 years ☐
5. What is you work position
   a. Operation level ☐
   b. Middle management ☐
   c. Senior Management ☐

PART B

Questions relatedto**Organizational Culture, Innovativeness and Performance**in CADILA Pharmaceuticals (Ethiopia) PLC.

Instructions: In order to investigate the impact of organizational culture on Performance and the mediating role of innovativeness at CADILA, this study includes the following inquiries. Please place a check mark (√) in the designated space to indicate your level of agreement or disagreement with each statement. The items utilize five-point Likert scales, with the following interpretations:

1. **StronglyDisagree**
2. **Disagree**
3. **neither Agree / Disagree**
4. **Agree**
5. **StronglyAgree**

Dear Respondent,

With reference to your experience, direct engagement and knowledge of CADILA Pharmaceuticals (Ethiopia) Plc. please respond to what extent you do agree with the following statements.

I. QuestionsaboutCadila organizationalculture

a) **Clan(Collaborate) Culture**						
Item No	Item Description	Points				
		5	4	3	2	1
1	In CADILA pharmaceuticals Everyoneworkinginagroup put maximum effort to achieve common goal.					
2	Human development andknowledgeacquisition isof high priority.					
3	During conflict, everybodytries to solveitquicklyand Conflicts aremanaged properly.					
4	Employeesaremorecomfortableworkingin agroup rather than individuallyto ensurebetter performance.					
5	Employees'communicationiseffectiveincommunicating thingsthatarerelevanttothemsoastoensurebetter performance performance.					
6	In Cadila pharmaceuticals, capabilities of employees areviewed as an important sourceofcompetitive advantage.					
7	Training and development of employees isdonefairlyto ensureorganizational performancewell.					
08	Cadila pharmaceuticals values the experience,knowledge,and skills of its professionals.					
09	Professionalism is a leadingagendain Cdila pharmaceuticals.					
10	Thereis a strongsupport from functional departments forthe successful deployment oforganization.					

b) **CreateCulture(AdhocracyCulture)**						
Item No	Item Description	Point				
		5	4	3	2	1
1	CADILA pharmaceuticals, owns unique organizational					
2	Innovation is encouraged in CADILA pharmaceuticals.					
3	Proper Riskmanagementis a routine activityin CADILA pharmaceuticals,					
4	works arecoordinatedeasilythroughallfunctional units.					
5	Employeesarelearningbydoingandfrom their mistakes.					

6	Information is availablefor everyone. Onecanget any needed information.					
7	Reward andrecognitionsystemwithin the company rewards task accomplishments based on work qualityto promotebetter organizational performance.					
8	Employeeretention, reward system and employeehandling is exemplaryandattractive.					
9	Experience and skillof project teamwillaffect project performance.					

c) **Control Culture (HierarchyCulture)**

Item No	Item Description	Point				
		5	4	3	2	1
1	CADILA pharmaceuticals, Instructions and regulations are needed to govern every process of work.					
2	There is a well-organized Office in CADILA pharmaceuticals, to facilitate resource, training, and					
3	Employees are empowered to take decisions.					
4	Management team is exemplary in organizational support.					
5	In this Organization, workplace decisions are made through consensus to ensure better organizational performance.					
6	Management team member's selection is transparent and competency oriented.					
7	Management team members are aware of the difference between functional and project working environment.					
8	Managers have the necessary authority and power to Control the execution of the overall works.					
9	The principles of organizational management are applied uniformly irrespective of the size of the organization.					
10	A standard organizational development strategy is established in CADILA pharmaceuticals,					
11	There is a strong leadership practice and becoming a role model as a culture.					

d) **CompeteCulture (MarketCulture)**

Item No	Item Description	Point				
		5	4	3	2	1
1	Customers'interestsare never ignored in decisionmaking.					
2	In CADILA pharmaceuticals, tasks areaccomplished in thesenseof urgency.					
3	CADILA pharmaceuticals, constantlyimprovemethodsofwork to gaincompetitive advantages.					
4	CADILA pharmaceuticals, alwaysrefer to themarketcondition and observeit					

II. INNOVATIVENESS

Item No	Item Description	5	4	3	2	1
01	Innovation proposals arewelcomein theoffice.					
02	Leader activelyseeks innovativeideas.					
03	People arenot penalized fornew ideas that do not work.					

III. ORGANIZATIONAL PERFORMANCE

Here are several non-financial metrics for assessing organizational performance. Kindly rate your company's performance on these indicators over the past four years using a scale from 1 to 5 (1-verypoor, 2 -poor,3-fair, 4 -good,and 5 -excellent)..

	PerformanceIndicator	1 Very Poor	2 Poor	3 Fair	4 Good	5 Excellent
1	Qualityof outputs (e.g.reliabilityofproductdelivery)					
2	Quantityof outputs (e.g.volumeof productdelivery).					
3	Customer satisfaction					
4	Employeesatisfaction					
5	Equity(e.g.servicesarefairlydistributed a m o n g customers)					

Thank you for your collaboration and time!