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The Effects of Organizational Culture on Employee Performance in the Case of Ministry of Revenues.

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Addis Ababa

Declaration

I hereby declare that this study entitled “The Effects of Organizational Culture on Employee Performance in the Case of Ministry of Revenues.” is my original work prepared under the guidance of my advisor Tewodros Wehib (Ass. Professor). Therefor this paper is submitted in the partial fulfillment of the Requirement for the Award of Master of Science Degree in Management and the title and the study has not been submitted to any diploma or degree in any college or university.

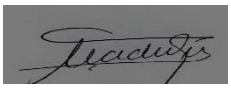
By: Yordanos Dinku

Signature: 

Date: Jan. 16, 2026

Letter of certification

This is to certify that Yordanos Dinku carried out her study on the topic entitled "The Effects of Organizational Culture on Employee Performance in the Case of Ministry of Revenues." this work is original in nature and suitable for submission for the award of the Masters degree in Management.

Teodros Wehib (Ass. Professor)		**Jan. 16, 2026**
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By: Yordanos Dinku

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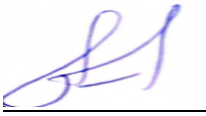
External Examiner:	Dr. Yirgalem T.		Mar.11, 2026
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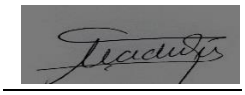
Advisor:	Ass. Prof. Tewodros W.		Mar.11, 2026

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List of Acronyms

ANOVA…….. Analysis of Variance

CFA…….……... Confirmatory Factor Analysis

EFA …….…… Exploratory Factor A nalysis

MoR…….……. Ministry of Revenues

OCB……..…… Organizational Citicizeneship Behavior

S.D…… Standard Deviation

SPSS…….… Statitical Package for Social Sciences

VIF……..…….. Variance Inflation

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Abstract

The main purpose of this study was to assess the effect of organizational culture on the performance of employees at the Ministry of Revenues, Ethiopia. Survey questionnaire was utilized to gather information from a randomly selected sample of 235 employees and interview questions were also used. Analysis of the quantitative data was done using correlationn and regression by utilization of SPSS and the qualitative data collected was narrated. Statistically significant result was found between dimensions of organizational culture and performance of employees that explained 63.4% of the variation in organizational culture. Success in the Ministry of revenues were driven by the visions shared among the members of the organization and the clarity of strategic goals, embrassed by the mission dimension. Regardless of the positive culture in the study area, the current finding revealed key points to be refined for the better performance. Aboveall, delegation of authority was observed to improve employee particiption. To intensify the existing positive cultural aspets, the current study proposed that the management should be keen in decision making hierrarchy in order to entitle and instill responsibility and ownership. Through better unification of the existing established cultural standards, the management in MoR could maintain an adaptive and achieving working environment.

Key Words:Employee Performance, Organizational Culture, SPSS, MoR

CHAPTER ONE

INTRODUCTION

This chapter presented the introductory part of the research work which included the background of the study, statement of the problem, research questions and objectives, scope of the study, significance of the study, limitation of the study, study paper organization, and operational definitions.

1.1. Background of the Study

Nowadays, there is broad agreement about how important culture is in determining a company's organisational effectiveness (Moormann and Grau, 2017). Mohammed and Mohsin (2020), showed in their review that efficiency and innovation embraced in organizational performance matrix are improved by positive and constructive culture. Innovative concepts and ideas brought to a company or other organisations are greatly impacted by the organisational culture, which in turn has a big impact on how well the company performs. This influence mostly results from the view of performance in an organization is essentially dictated through basic employees behaviour & procedures, that are generally referred to as its culture. Additionally, organisational culture affects the organization's total performance together with the individual's performance (Sengk, 2015; Kandula, 2006).

Numerous academics have listed the different ways that organizational culture can be defined. A widely accepted and comprehensive definition of organizational culture comes from Edgar Schein, who defines it as "a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems"(Schein, 2010, P.18)

Organizational culture can be founded in new employee beliefs& inference, learning experience of group, and the management of the organization. It is believed that organizational culture has impact on the overall effectiveness of the company by dictating how employees interact within the company. Tesfaye Kebede (2020) supported the idea that organizational culture is one of the most important determinants of organizational achievement. These researchers also explained the importance of culture in an organization ensuring success and effectiveness as a whole entity.

Employee performance has become significantly prominent, emerging as one of the most crucial major industrial and management studies (Kahya, 2009). Campbell (1999) stressed that employee performance is highly influenced by motivation, ability, job skills and knowledge focused at responsibilities related to jobs. This concept is linked to employees' capacity to meet duty targets and achieve the work standards set by the organization (Bohlander et al., 2001), and it plays a vital role in enhancing organizational performance and the industrial competence (Dessler, 2011).

Background of the study organization

The Ministry of Revenue formerly known as Ethiopian Revenues and Customs Authority (ERCA) was established under the proclamation number 587/2008 through the merger of the former Ministry of Revenues, Federal Inland Revenue Authority and the Ethiopian Customs Authority. Following the measures taken by the government to redefine the power and responsibility of federal offices under the proclamation number 1097/2011, Ministry of Revenue is established with the supervisor power on Customs Commission. The Ministry of Revenues aims for establishing a modern tax and customs administration dedicated to meeting the requirements of the business community, encouraging voluntary tax compliance, fight against smuggling and illegal activity and thereby contributing to the economic and social development of Ethiopia. It is of major importance to know in advance

the way culture of an organization impacts the overall sectoral success. The mission of MoR is to contribute to economic development and social welfare by developing a modern Tax and Customs Administration that employs professional and highly skilled staff who promote voluntary compliance amongst individuals and businesses, and take swift action against those who do not comply.

1.2. Statement of the Problem

Previous studies highlight that inefficient organizational structures and overly complex procedures have historically hindered service delivery. These systemic weaknesses, coupled with pervasive corruption, created significant barriers that prevented the prior administration from achieving the authority's strategic objectives. In spite of the fact that a variety of strategic objectives put by different organizations to obtain success, there are clear verifications of complex internal and external problems that hinder the organizational success. According to (Lucas, 2006; Mathew, 2007; Martins & Terblanche, 2003), culture of organizations is quite determined by knowledge transference, quality of work and innovativeness. Nevertheless, the studies mentioned did not pay enough attention to the complexity of organizational success in the dynamic environments. This assessment tries to link this gap by investigating how culture impacts employee performance. Even though organizational culture dimensions are known to affect the employee interaction, feelings and thoughts, there are quite few researches that have empirically done these (Hassan & Saeed, 2000).

Furthermore, culture of an organization in the workplace significantly impacts the process of strategy implementation and overall organizational performance. In contrast (Wangeci et al, 2015) note that many organizations today place more emphasis on intrinsic and extrinsic reward systems to boost employee performance, often giving less attention to organizational culture. As noted by different researchers previously touched, there still

remains significant area for more studies considering variety of organizational setups related with the impact of culture of an organization on performance of employees.

1.3. Research Questions

This study aimed to respond to the following questions:-

i. To what degree does employee performance affected by the involvement of employees in decision making?
ii. How significantly does consistency plays part in performance of employees?
iii. To what extent does adaptability in ever changing work environment help employees maintain their top performance?
iv. To what degree does employee performance is affected by the clarity of organizational mission?

1.4. Objectives

***1.4.1. General Objective*:** The main aim of this study will be to determine the effects organizational culture on employee performance.

1.4.2. Specific Objectives:

i. To determine the effect of involvement dimension of culture on employee performance.
ii. To investigate the effect of consistency on employee performance.
iii. To assess the effect of adaptability on employee performance.
iv. To examine the effect of shared mission on performance of employees.

1.4. Delimitation/Scope of the study

Even though the Ministry of Revenues of Ethiopia have more than ten branches in different parts of the country, the current study focused only in the head office located in Addis Ababa due to financial and time constraints.

The clear assessment of effect of the organizational culture on employee performance is considered as a conceptual scope of this study in Ministry of Revenues of Ethiopia. The effect of organizational culture on employee performance is realized through four dimensions namely Involvement, Mission, Consistency, and Adaptability.

1.5. Significance of the study

Performance of employees becomes a major problem in different institutions. The overall Organizational success is hindered by the presence of toxic cultures; therefore, understanding the ultimate relations between culture and performance help the leaders to intentionally shape the culture that aligns the strategic objectives of the organisation. In light of the results and suggestions of this current assessment, the management in the ministry will be beneficial. The results will also be used as foundations and reference points for those who are interested researching the effects of organizational dimensions on performance of employees. Moreover, the researcher of this study obtained quite an opportunity to explore in detail the interplay of culture of an organization and employee performance at the study area.

1.6. Limitations of the study

This study recognizes the potential for response bias, wherein a disproportionate participation from highly engaged employees could lead to an over representation of positive perceptions. Additionally, owing to the distinct workplace culture and specific operational context of MOR, the generalizability of these findings to other organizations may be limited.

On the other hand, the study of culture of the organization and its effect on employee performance has emerged as a significant area of interest at the global level during the past years. Correspondingly, it is almost a new research field in our country particularly in the government sector. So, it was expected to be challenging to find relevant and sufficient referring materials. This is just one of the few limitations that this researcher was face. The

researcher therefore made use of the tools at hand to create an efficient and detailed examination of relevant material from websites, digital libraries, and other means.

Moreover, potential non-responses to the questionnaires could compromise the completeness and reliability of the results, possibly leading to gaps or biases in the data analysis.

To ensure the academic rigor of this research, several methodological safeguards were implemented to mitigate identified limitations. To counteract response bias and the potential for socially desirable reporting from highly engaged employees, the researcher utilized simple random sampling technique, thereby encouraging honest self-reflection across all performance tiers. While the unique operational context of the Ministry of Revenues (MoR) may constrain the broad generalizability of the findings, the study employs a thick description of the organizational culture, facilitating theoretical transferability to similar governmental sectors. Furthermore, to address the scarcity of localized literature, the researcher adopted a triangulated approach, synthesizing international theoretical frameworks with a comprehensive review of digital archives and secondary institutional data. Finally, to maintain data integrity despite potential non-responses, a systematic follow-up procedure was enacted, and a rigorous data-cleaning process was applied to exclude incomplete responses, ensuring that the final analysis rests on a statistically reliable foundation.

1.7. Study paper organization

Five different chapters are included in this research paper. Background of the study, statement of the problem, research questions, objective of the study, significant of the study, scope of the study, organization of the study and operational definition are included under the first chapter. The second chapter presents the review of the related literatures. Research design and methodology of the study are dealt under the third chapter. Results and

discussions are covered under the fourth chapter and the last chapter deals with the summary of major results, conclusions and recommendations given.

1.8. Operational Definitions

Employee performance - Employee performance is defined as "the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him". (Robbins, 2010)

Organizational Culture - "The set of values, beliefs, attitudes, systems, and rules that outline and influence employee behavior within an organization" (Dewar, 2025).

Mission – "Do we know where we are going"?

Defines a meaningful long-term direction and purpose for the organization. It involves having a clear vision, strategy, and goals that align employees' efforts and provide direction. (Denison, D. R., & Mishra, A. K., 1995).

Adaptability - "Are we listening to the external environment"?

Focuses on translating the demands of the external environment into action. According to Denison and Mishra (1995), adaptability is considered as the ability to redefine the characteristics to respond to changes at large scale, with continuous learning and customer centric approach.

Involvement - "Are our people aligned and engaged"?

Involvement seeks an answer for the basic question whether there is alignment and engagement practical. This trait emphasizes empowerment, team-orientation, and capability development. (Denison, D. R., & Mishra, A. K., 1995).

Consistency - "Does our system create leverage"?

Refers to establishing the values, systems, and processes that form the foundation of the organizational culture, allowing for coordination, agreement, and a predictable internal environment. (Denison, D. R., & Mishra, A. K., 1995).

CHAPTER TWO

LITERATURE REVIEW

This chapter is a presentation of scholarly works explored in both theoretical and empirical literature relevant to this study. The area addressed in this chapter include; defining organizational culture, employee performance, explaining concepts, assessing the relationships between organizational cultures and employee performance, and reviewing empirical study.

2.1. Theoretical Literature Review

2.2. Definition of Organizational Culture

Yildiz (2014) demonstrated that reaching a consensus on description of organizational culture is a difficult task. According to Pathiranage (2019), culture of an organization is stated as a framework of values shared among the members that deliberately influence their behaviors and actions. Culture is a driving force for goal accomplishment. Culture of an organization holds analogues meaning with corporate culture that guides business managers use them synonymously as both pertain similar features of values and behaviours of the members. According to Wozir et.al (2017) organizational culture is shared values, beliefs and assumptions present among staffs within an organization. He agrees with the idea of Pathiranage, Organizational culture (values and beliefs) begins to develop from the constant negotiation and practices among employees in an organization.

Those emerged beliefs and principles develop through time and turn out to be a foundation for what is thought appropriate or inappropriate in a company with regards to right and wrong behavior (Macintosh & Doherty, 2010). Additionally, it is described by different scholars as follows. Organizational culture is defined as the shared values, beliefs, or perceptions held by employees within an organization or organizational unit (Dodge, et. al. (2017). According to Schein (2017), organizational culture can be defined as a model of basic

assumptions that a group invented, discovered or established starting from a learning process seeking to adjust to issues of extrinsic and intrinsic nature to the organization.

There are also other meanings given by researchers which emphasizes on the idea of organizational culture as a pre - condition for performance of an organization. The social glue that binds an organisation together is its organisational culture, which is described as the common values, beliefs, or perceptions that its employees hold (Dodge, et.al, 2017).

The basic presumptions and values that all members of an organisation hold and that function subconsciously make up its organisational culture. Structure, leadership, strategy, mission, and HR procedures are all significant factors in determining an organization's culture (Korner, et.al; 2015). A sound culture of an organization enables in achieving the objectives thereby increasing employee inspiration for fulfilling their duties and responsibilities with maximum satisfaction. Benchmarks that are followed by each member of an organization at their workplace could be considered as culture of an organization (Schneider et al; 2013). Members' behaviour and adaptability for accomplishing achievements within the organisation are shaped by its values and norms. An organization's culture is shaped by how its people interact with one another and other stakeholders (Simoneaux & Stroud, 2014).

Organizational culture is about general rules or patterns of behaviors of groups of members, and become an element of the organization’s culture when they are shared throughout an organization. Individuals enter into the organization and are introduced to the organization’s cultural norms and are expected to follow them an organizational culture is a system of values, beliefs, and meanings that are held jointly by members in an organization. According to Tang (2017) organizational culture can affect an extensive range of aspects. An organizational culture is the philosophy that instructs an organization and it represents the major values and criteria of the organization. An organizational culture is also to convey

behavioural norms for members, game rules, and organizational perceptions and atmosphere (Tang, 2017).

According to Schuneman (2019) the term organizational culture, or culture in the organization context, was first introduced by Dr. Elliott Jacques in 1951 in his book changing culture of a factory. This was concerned with the description, analysis, and development of the corporate group behaviors. Schuneman (2019) defines the workplace's culture as its traditional and customary way of thinking things, which are shared to a greater or lesser extent by all of its members and which new hires must learn and at least partially accept in order to be hired by the company. But, the study of organizational culture in public agencies did not really become established in the discipline of public administration until the 1970s and 1980s.

Schuneman (2019) described the consistence of different books, papers and research articles compared to the more current definition of organizational culture. Recent developments in the field identified models and components of organizational culture that drive financial results. Five aspects of corporate culture were discovered and included in the model comprising of transformation and innovation; responsibility and standards of performance; human and customer handling; and process orientation (Flamholts, 2011). Now a days organizational culture is directly associated with organizational productivity, efficiency and wellbeing of corporations (Habib et.a1, 2014).

2.3. The Importance of Organizational culture

Culture is deeply embedded in every aspect of an organization and plays a crucial role in its success. Organizational culture can become a powerful strategic asset and a key competitive advantage when effectively managed. (Flamholtz & Randle, 2011, p.13) identified some of the importance of organizational culture as a foundational pillar of institutional success, functioning effectively as the 'organizational glue' that aligns individual behavior with

collective goals. Beyond its role in internal cohesion, culture is increasingly recognized as a vital strategic asset and a primary source of sustainable competitive advantage. Research suggests that a robust culture is often a more critical determinant of success in mergers and acquisitions than traditional 'strategic fit,' as it directly influences both financial performance and the overall success of personnel within the organization. Ultimately, culture acts as a central driver and a strategic building block, providing the necessary framework for an organization to achieve long-term viability and excellence in a globalized landscape.

On the other hand, (Saiyadin, 2003) explains that culture has the following importance: -

Culture supplements rational management: the creation of a work culture is a time-consuming process. Therefore, organizational culture cannot suddenly change the behavior of people in an organization. Culture communicates to people through symbols, values, physical settings, and language, and, thereby supplements rational management tools such as technology and structure;

Culture facilitates induction and socialization: Induction is a process through which new entrants to an organization as socialized and indoctrinated in the expectations of the organization.

Culture promotes a code of conduct: a strong culture in an organization explicitly communicates modes of behavior so that people are conscious that certain behaviors are expected and others would never be visible. The presence of a strong culture would be evident where members share a set of beliefs, values, and assumptions that would invisibly influence their behavior.

Sub-culture contributes to organizational diversity: sub-culture, and sub-systems of values and assumptions, which may be based on departmentalization, activity or geographical locations, provides meanings to the interests of localized, specific groups of people within the macro organization.

In general, Organizational culture is crucial to a company's success or failure. Influencing factors like employee satisfaction, performance, motivation, and turnover (Cameron & Quinn, 2011b; Warrick, 2017). However, positive outcomes are achieved only when the culture aligns with the company's business goals and strategies. When an organization intentionally aligns its culture with its objectives, it fosters shared ownership and collaboration among employees, creating a unified, positive environment. This alignment enhances employee satisfaction, productivity, and overall organizational success.

2.4. Characteristics of organizational culture

Many academics explain organisational traits in various ways. Despite of the cultural category, organizational culture is expected to have harmony with the overall mission and objectives of the organization. It will create a significant variation among the members of the organization. Eren, et.al, (2013) describes four characteristics of organizational culture in her findings. They are, organizational culture is a learned or acquired phenomenon, organizational culture should be shared by the group members, organizational culture is not in the form of written text, the mind-set, awareness, and thoughts of the group members as well as their ideas and values constitute the organisational culture.

Organizational culture reveals itself as steady repetitive or emerging behavioural patterns. Yildiz (2014) looks at seven fundamental organisational culture traits. These are: innovation and risk taking: the extent employees are being supported in innovation and risk taking, the degree to which staff members pay attention to the obvious details, the companies, team orientation, which measures how well workers can collaborate rather than work alone, aggressiveness, which measures how competitive and enterprising workers are, stability: the part of activity in an organization given focus to maintain and improve the current situation. Organizational culture is best tailored with the seven traits aforementioned. According to

Robbins and Judge(2011), the shared feelings are founded in structure of culture and the way business are dealt or task performance in a certain organization.

Despite a multitude of definitions, similarities have been found. (Ehrhart et al., 2014) draws from several sources that have tried a similar synthesis to summarize what we perceive to be the Organizational culture's most frequently recognized characteristics and functions.

Organizational Culture is shared: Culture within an organization encompasses a wide range of shared elements, such as beliefs, values, behaviors, norms, and assumptions. These elements vary depending on the commentator's perspective, but what remains consistent is that culture reflects the collective experiences and characteristics of the organization's members. It shapes how individuals within the organization interact and perceive the world around them.

Stable organizational culture: Even though certain organizational culture environments are subjected to continuous changes, there are others that remain persistent over time. This means that regardless of the presence of external factors there is endurance for the parts of cultures in a particular organization. Decision making and behaviors among employees are derived by culture as a basis.

Depth of Organizational culture: The cultural traits tangibility and noticeability in organizations is explained by depth. The ability of employees in an organization to recognize and understand the cultural traits explain this very concept.

The culture of an organization is subjective, expressive, and symbolic: Rather than addressing the underlying beliefs and assumptions that form the deeper layers of culture, the emphasis is usually placed on its visible aspects or artifacts, which are interpreted by organizational members.

The foundation of organizational culture is tradition and history: An organization's culture is shaped by its past history and how it has successfully managed different difficulties over time. What has been reinforced in the past has a significant influence on the values and

norms that the culture emphasizes; in other words, methods, actions, and thought patterns linked to prior success are likely to be repeated.

The culture of the organization is passed on to new hires: The transfer of cultural components helps to explain how the culture of the organization persists and how new members eventually adopt its values and beliefs.

Organizational existence is governed by rules and order provided by organizational culture: One of culture's functions is to provide clear expectations for employees and what is considered appropriate as they go about their daily work lives, explaining how, despite the fact that people make rules, they are also seen as separate organizational structures.

Organizational culture has breadth: Culture is everywhere and affects every facet of an organization's internal operations, diverse settings, and primary tasks.

Organizational culture is a source of shared commitment and identity: The individual identities of participants in a culture (or subculture) get entwined with the collective identity of the group since most of its members share common values, beliefs, and basic assumptions.

Organizational culture is unique: No two cultures are comparable since they were all formed by different individuals, problems, achievements, and other factors that shaped the culture as it exists today.

2.5. Organizational Culture Models

2.5.1. Denison Organizational Culture Model

Denison and Mishra (1995) introduced the Denison organizational culture paradigm. The model emphasizes the close relationship between culture and performance in its explanation of organizational behavior theory. It emphasizes the following aspects of culture: involvement, consistency, adaptability and mission. Each of these components has three additional sub features.

A) Involvement - Building human capability, ownership, and responsibility.

Involvement is the first organizational trait which ensures the participation of employees in decision making; it also relies on team effort to get work done and continual investment in the development of employee's skills. (R. Denison & Neale, 2011).

In other words, involvement is building human capability, ownership, and responsibility. Thus, organizational cultures characterized as "highly involved" strongly encourage employee involvement, and create a sense of ownership and responsibility. They rely on informal, voluntary, and implied control systems, rather than formal, explicit, bureaucratic control systems. (R. Denison & S. Neale, 2011).

Involvement indices;

- **Empowerment;** employees depend on ability, initiative and organizational responsibility and ownership are the outcomes.
- **Team Orientation** – working in partnership for organizations goal bases on values requires mutual accountability. Works done by employees in an organization characterises team effort.
- **Development of capability** – The institution persistency puts effort in the development of employees' skills in order to stay competitive and meet on-going business needs.

B) Consistency - Defining the values and systems that are the basis of a strong culture.

Control, coordination of work and integration are provided by the concept consistency. Organizations which persist on creating an attitude and system in an organization which establish and internal governance based on consensuses help. Employees that are with high commitment, having understanding central values, unique way of job performance and handling, ability to promote and set right or wrong are the wealth of consistent organizations. A belief system that is shared, values and symbolical understood by employees create a strong culture founded on consistency. Consistency highly needed when employees of an organization face untoward environments. It helps employees to respond well in a predictable

way to untoward/unexpected environment by focusing on generalised principles based on values that actions could be based on (Denison & Neale, 2011).

Consistency indices:

- **Integration & Coordination:** various structures of an organization implement working together for the ultimate organizational goals. There is no limit that hinders the works from being done.
- **Agreement** : this trait encompasses not only agreement on issues but also reconciling with harmony existing differences if any.
- **Core Values** ; values are shared by employees in any organization that enables them create identity and expectations.

C) Adaptability ; Converting the needs of an organization in to their intended actions whatsoever.

A system of norms and beliefs are held by organizations which that ensure the support of organizational capability accept, interpret, and use for action those environmental cues for the overall existence, success and development.

Denison and Neale (2011) clearly argued that adaptability affect effectiveness in an organization without any hesitation involving the three points under it. The proactive expectation and dealing with them of the competitors and customers by organizations is the character of successful organizations. This concept is the first under adaptability. The other is giving proper solutions to customers in an organization with out any consideration of hierarchy and section. And the last one is the ability of organizations to reform a clear set of behavioural cues and procedures which help the organization adapt in different situations.

Adaptability indices

- **Creating Change** – In the dynamic working environments, the organization needs to adjust and function in accordance with the situation.

- **Customer Focus** – Proactively ensuring responses for the issues raised by customers is very critical here. It solely describes the extent to which the organization gets involved.
- **Organizational Learning**; Cues from the job surroundings will get received, processed and acted upon for the purpose of innovation encouragement, acquiring knowledge and capacity development.

D- Mission: setting a clear and achievable lasting direction for the institution**.**

A mission provides purpose and meaning by defining a social role and external goals for the organization. It provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. A sense of mission allows an organization to corrects the existing behavior by creating an image of the coming needed future of the organization. Denison and Neale also discussed directed goals will result in the overall success of an organization

Mission indices

- **Strategic Direction and Intent -** Clear strategic intentions convey the organization's purpose and make it clear how everyone can contribute, and "make their mark" in the industry.
- **Goals and Objectives** - A clear set of goals and objectives can be linked to the mission, vision, and strategy, and provide everyone with a clear direction in their work.
- **Vision** - The organization has a shared view of a desired future state. It embodies core values and captures the hearts and minds of the organization's people, while providing guidance and direction.

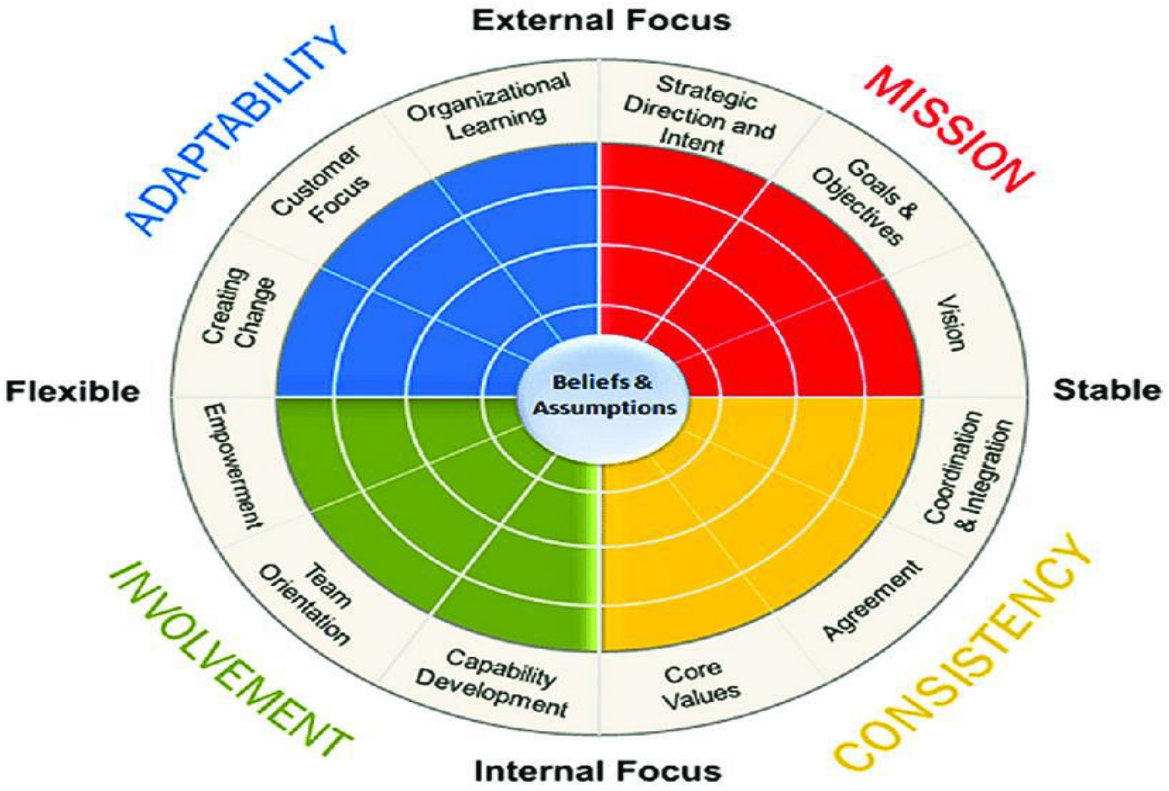


Figure 1: Denison Organizational Culture Model Circumplex Adapted from (Qureshi et al., 2023)

2.5.2. Cameron and Quinn Model

OCAI was one of the instruments to explore the performance and success of an organization. It was stated under this instrument that there are four different types of culture; Hierarchy, Clan, Market, and Adhocracy first established by Cameron and Quinn 1999.

A widely used method for diagnosing organizational culture is the Competing Values Framework (CVF) (Chatman & O'Reilly, 2016; Quinn & Rohrbaugh, 1983). Developed by Cameron and Quinn, this model provides a basis for managers to classify different types of organizational cultures. Similar to earlier models, the Competing Values Framework (CVF) was developed from research on organizational effectiveness and was named "competing values" because the four cultural dimensions it identifies often appear to be at odds. The CVF evaluates an organization's preference for either flexibility and discretion or, alternatively, stability and control, as well as its focus on internal systems and integration versus the external environment and differentiation. These results in four organizational effectiveness

models: The *Human Relations, Open Systems* Model, *Internal Process* Model, and *Rational Goal* Model. These models were later translated into four types of organizational cultures: *Clan, Adhocracy, Market*, and *Hierarchy* (Quinn & Rohrbaugh, 1983; Cameron & Quinn, 2011). To assess cultural values, the Organizational Culture Assessment Instrument (OCAI) is used as a survey tool to compare an organization's cultural values against these four effectiveness models and identify its specific cultural type.

A) Clan Culture

This is more of an internal focus and flexible culture. Leaders are considered as exemplary figures that explain it as a friendly work environment. Such type of culture is strongly associated with positive workers' attitudes and a belief in product and service quality. The common features of clan culture include organization′s trust, employees′ commitment, open communication, and employee involvement (Cameron & Quinn, 1999).

B) Adhocracy Culture

It is a flexible and externally focused culture type. It is also a fluid work environment where innovation is favoured by the leaders. Employees tried to take a risk for innovation and testing new ways of doing things. The leaders are commonly considered as innovators and risk-takers. The institution which is driven by adhocracy culture will have lasting concern on development and resource digging.

C) Market Culture

This type of culture is a controlled and externally focused. It is a competitive workplace environment. Market culture is more associated with innovation and financial effectiveness criteria. They develop clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations.

D) Hierarchy Culture

Beie in amore governed system and giving focus to the organizations internal situations is an issue here. Whenever leaders act like coordinators, the culture in the organization be more formalized and better structured. Cameron and Quin(1999), stipulated that the major concern of culture of this type is its ending nature. They also shared that performance of an organization will there be only when resilient working environments are provided efficiently.

Dimensions of the OCAI:

Dominant culture- this trait helps know whether the organization is personalised place of work, innovative and risk taker, goal oriented or well-structured and controlled.

Style of leadership- focuses on assertiveness, coaching ability, mentoring, innovativeness, proactiveness, direct, organizing ability and orientation of efficiency.

Employee management- this focuses on participatory nature, teamwork, harmony, predictability, goal achievement risk taking ability and being unique.

Organizational glue – Mutual trust and being loyal among employees best describe this.

Emphasis on strategies –this emphasizes nurturing human capabilities, fostering a culture of high trust and transparency, securing necessary resources, and proactively embracing new challenges. It also prioritizes competitive success and achieving victory, while simultaneously seeking enduring stability.

Criteria for success - success are measured by the growth of human capital, effective teamwork, and a genuine concern for individuals. It's also defined by the ability to offer novel and distinctive products and services, to triumph in the marketplace, and consistently outperform competitors. Alternatively, success can be seen in an organization's dependability, operational efficiency, and ability to maintain low costs.

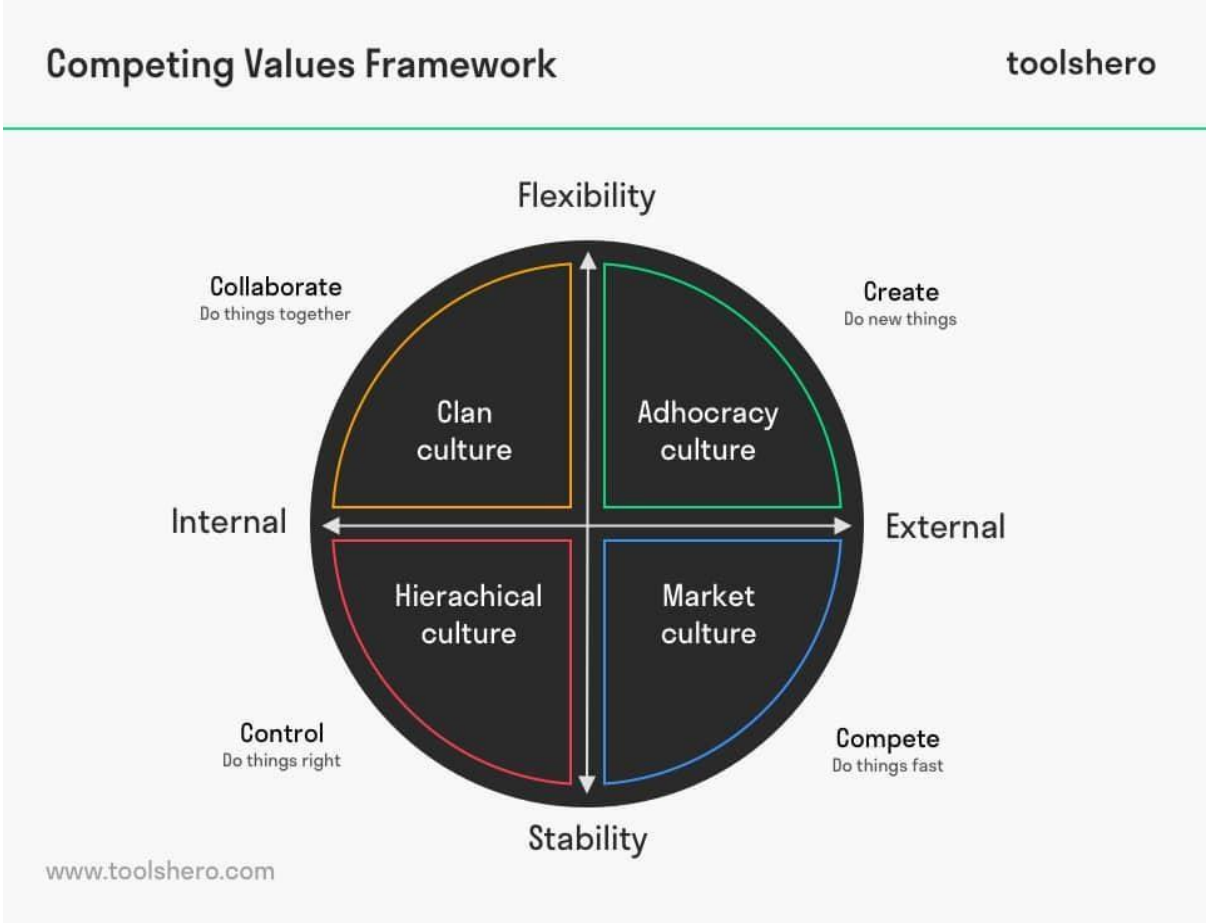


Figure 2: The CVF quadrants developed by Cameron and Quinn (2006)

2.5.3. Schein's Model of Organizational Culture

The most acknowledged culture of an organization, though not necessarily the most comprehensive, is the three-level framework developed by Schein, who defined "culture" as "a pattern of basic assumptions –invented, discovered or developed by a given group as it learns to cope with problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems". With so many definitions, it can be challenging to get a firm grasp of organizational culture so that it can be identified, measured, and compared all of which are of great interest to organizational leaders looking for positive links between organizational culture and performance. (Schein,2010) then fleshed

out this definition by suggesting that culture could be understood by dividing it into three domains or levels, as follows:

A) Artifacts

It is important to note that this level of culture is both easy to observe and very difficult to decipher. At the surface, there are artifacts, including all the phenomena seen, hear, and feel when encountering a new group with an unfamiliar culture. Artifacts include the visible products of the group, such as the architecture of its physical environment; its language; its technology and products; its artistic creations; its style, as embodied in clothing, manners of address, and emotional displays; its myths and stories told about the organization; it is published lists of values; and its observable rituals and ceremonies.

B) Espoused Beliefs and Values

According to Gutterman (2023) and Schein (2010) slogans and other representations of the mission, vision, and values are considered as espoused values that particularly outline the goals or status which are expected to help the employee achieve better. They also stated that organizational ability to take risks and decision-making process have their foundation on the espoused values and beliefs.

C) Assumptions

These hold the organizations basic beliefs and assumptions that derive the interpretation and application of the stated values based on the cultural foundations. The intangibility and externality of value traits of culture make them of high challenge for evaluation. The norms and standards of conduct underpin these principles and explained by day to day interaction of the organization members that is considered as reinforcement mechanism (Gutterman 2023; Schein, 2010)

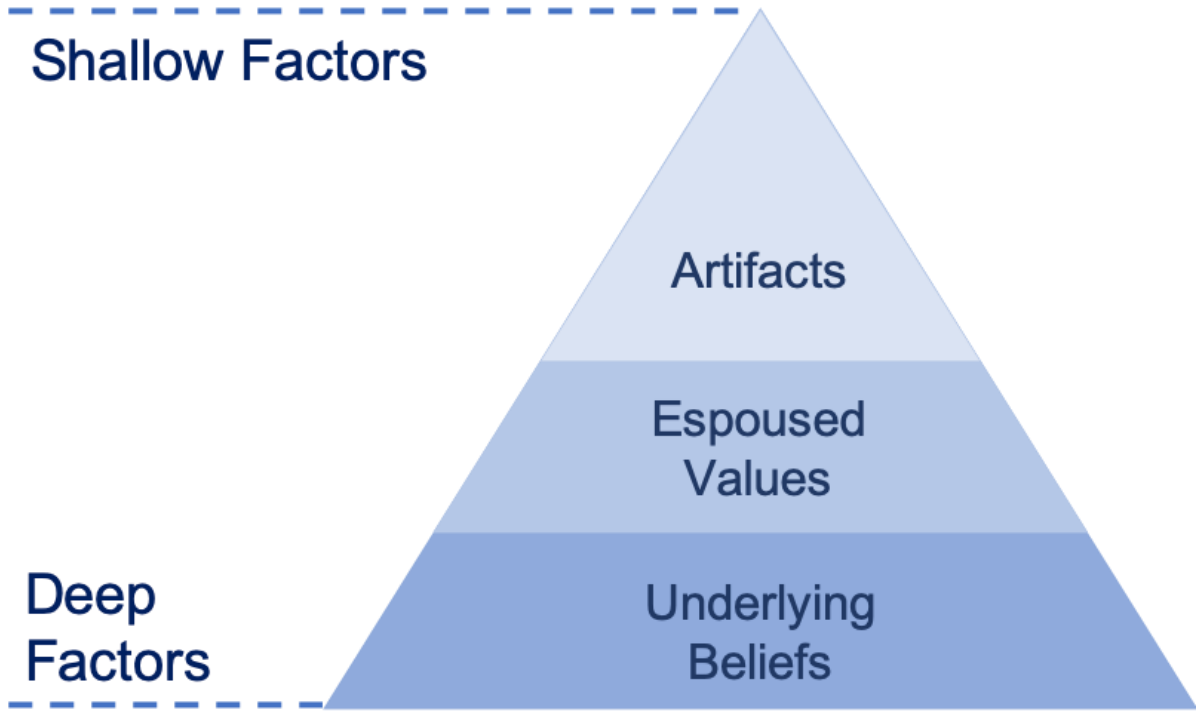


Figure 3: Schein's theory of organizational culture

2.5.4. Organizational model of Hoftsede

As stated by Gutterman (2023a), clear recognition was given for the regional and nationwide culture traits to affect the behavior of an organization referred as societal culture by Hoftsede. The study focused on the identification of organizational culture dimensions which serve as framework for clear understanding of the organizational environments (Hofstede et al., 1990). He also outlined the scope limitation of the research and claim validity and sufficiency of the six dimensions identified by him. According to Hofstede (2006), universality of these six dimensions were in doubt that additional dimensions should be added. Here are the suggested basic dimensions of organizational culture

A) Individualism/Collectivism

Predictions of differences among the context variants were based on the concept of individualism and collectivism pair. In organizations favouring individualism, self-goals, preferences and needs outshine the interest of the groups. On the other hand, organizations

with collectivism characteristics show much of alignment to plocies, group conformity, strong focus on team working and tasks based on groups. The collectivism culture also Favors valuation of harmony in groups, high level of agreement in cohesive behaviors leaving the destructive actions alone.

B) Power Distance

Effective operations in organizations need distinction of employees with roles, functions and positions in order to ensure hierarchies rooted in status of power. Benefits, rights, privilege, and authority will be attached with the hierarchy identified letting the chain of command to state the roles and responsibilities. Up and down hierarchal relationships is there in patterns founded on the already existing differences in status. Organizations with high power distance tend to be more hierarchical, implementing rules, mechanisms, and rituals to reinforce and sustain status and power structures. Conversely, organizations with low power distance adopt a more egalitarian approach, reducing reliance on formal rules and traditions.

C) Uncertainty Avoidance

Uncertainty is a fact of life that is true for individuals as well as for organizations. Today's profits can easily turn into tomorrow's losses. How a market will react to a new product, revisions in old products, corporate restructuring, mergers, acquisitions, and other changes are all major sources of uncertainty. With uncertainty comes confusion, stress, and anxiety (Matsumoto & Juang, 2022). Every organization develops ways of dealing with anxiety and stress associated with uncertainty, including the development of informal or written rituals concerning a code of conduct among employees, such as intra company policies regarding communication or interpersonal relationships. These rules may also govern behavior between companies within a society or across cultures as in domestic and international laws governing business and inter-business relationships. Organizations high on uncertainty avoidance develop highly refined rules and rituals that are mandated and become part of the company

rubric and normal way of operating. Organizations low on uncertainty avoidance are less concerned with rules and rituals to deal with the stress and anxiety of uncertainty. Companies in these cultures have a more relaxed attitude concerning uncertainty and ambiguity and mandate fewer rules and rituals for their employees (Hofstede, 2011).

D) Masculinity versus Femininity

Hofstede's initial definition of this dimension focused more on competitiveness and achievement orientation rather than differences between sexes and was originally termed Masculinity (Hofstede, 2011). Over time, the concept evolved into a bipolar comparison with femininity. Organizations must address how gender differences influence social roles, functions, and positions. Masculine organizations emphasize success, financial gain, and accomplishments, whereas feminine organizations prioritize nurturing and the well-being of their members over money and achievement. Moreover, those with high masculinity level show in more sex role differentiation in the workplace than those having higher femininity, known to show less concern for gender-based activities.

E) Sort term/Long term orientations

Matsumoto and Juang (2022) described that the research in asia by Hotsede identified further traits of organizational culture in the study area of focus. The two key principles for the long term orientation include;

- Societal stability is determined by unequal status relationships
- All social organizations base on family

Organizational goals and interpersonal relationships in business are established on the fundamental values. Organizations with a strong long-term orientation prioritize relationship-building and market positioning over short-term financial gains. They also integrate business and family life more closely and coordinate both hierarchically and horizontally. (Hofstede, 2011).

F) Indulgence versus Restraint

Hofstede's most recently added dimension distinguishes between indulgent and restrained organizations. Indulgent organizations permit greater freedom in satisfying basic and natural human desires, leading to members who generally feel healthier, happier, and more optimistic. In contrast, restrained organizations limit the gratification of such desires, enforcing stricter social norms. As a result, their members tend to perceive themselves as less happy, less healthy, and more pessimistic.

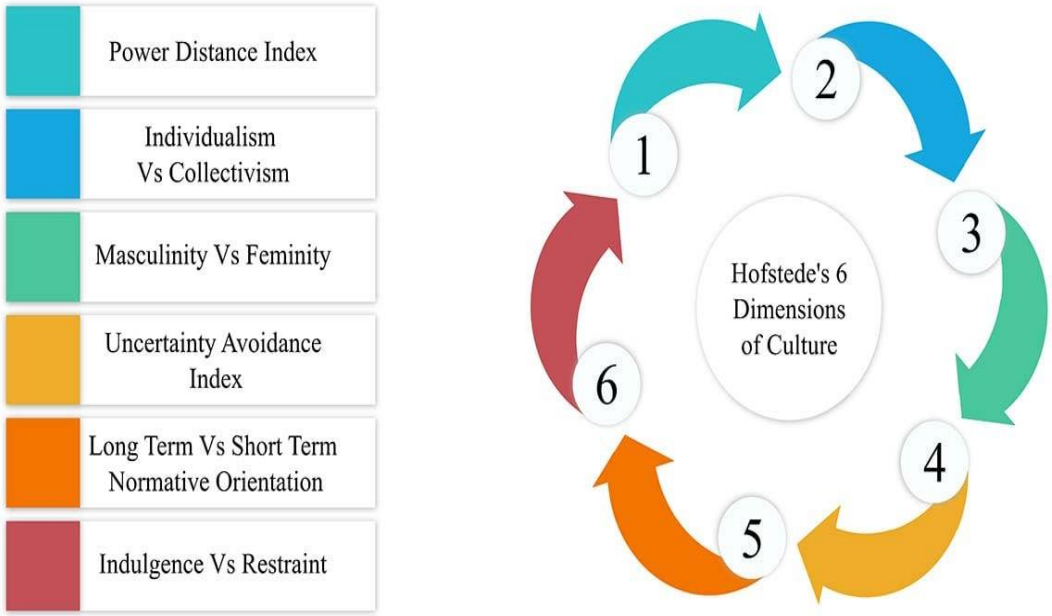


Figure 4: Hofstede's Organizational Culture Model

2.5.5. Handy's Model of Organizational Culture

Another culture model is popularized by Charles Handy, which classified organizational culture into the following four major types:

A) Power culture

According to Handy, Power Culture can be symbolised as a 'web' and it refers to control that is spread out like a network from the centre to the rest of the organisation (Handy 1993).

People in the center have the power and this type of culture relies heavily on individuals rather than individuals than on groups and committees. These organizations respond quickly to events, but they are mainly dependent on their continued success on the people's abilities at the center. Control of resources is the main power base. This type fits better in new organizations, while when their size increases, some problems appear.

B) Culture role

Role Culture refers to a highly defined structured organisation in which employees have specified delegated authorities and which are offered security and predictability (Handy 1993). Handy (1993) describes the structure of this type of organisation as a 'Greek temple' since this culture works by logic and rationality. Vital functional or specialized areas coordinated by a few senior managers at the top. A high degree of formalization and standardization dominates in these firms. The position is the primary power source. This type of organization is likely to succeed in a stable environment like state-owned organizations, where the market is steady, or the product's life cycle is long.

C) Task culture

On the other hand, is job oriented and it is present in organisations where individuals work as a team and power is derived only from expertise and only when required (Handy 1993). Job or project oriented and its accompanying structure can be best represented as a net where some of the strands are thicker or stronger than others, and much of the power and influence is located at the knots. This type is found in organizations that adopt matrix or project-based structural designs. Groups, project teams, or task forces are formed for a specific purpose. The ask culture is ideal when flexibility and sensitivity to the market or environment are required, where the market is competitive, the life of a product is short, and/or the speed of reaction is essential.

D) Person culture

Is quite unusual and it reflects organisations in which individuals believe to be superior to the organisation they are employed in (Handy 1993). The individual is the focal point. In this culture, if there is a structure or an organization, it exists only to serve and assist the individuals within it, to further their interests without any overriding objective. There are no control mechanisms, and even management hierarchies are impossible in these cultures except by mutual consent. Consultants, journalists, lawyers, university professors belong to this type and benefit from the power of their professions. As it develops further, it often becomes a task culture or often power or role culture.



Figure 5: Handy's Organizational Culture Model

2.5.6. Contingency theory

The main founder of contingency theory is Fred Fiedler**,** a psychologist who developed the theory in the 1960s. Fiedler's work, also known as the leader-match theory,

argues that leadership effectiveness depends on the leader's style matching the specific situation.

Contingency theory touches insights how organizations are flexible for changing environments describing the management approach, no one size fits all. The theory basically argued that organizational effectiveness is determined by the harmony between the internal characteristics and external environments. The theory still remains as a major tool for explaining how organizations can improve and be successful. Accordingly, contingency theory has been a cornerstone of organizational studies since the inception in the 1960`s (Koczkas, 2024; Vaszkun, 2012).

Vaszkun and Koczkas (2024) stated the major foundation of the contingency theory which is reflective of organizational needs the harmonization of structure, strategy and behaviour in addition to the contextual factors. According to them the major concern of early theories considering criteria was showing the relationship between performance and structure of the organization. They also described organizations having environments that are stable benefit from centralized organizational structures. Burton and Obel (2018) added to this concept by assessing the effects of turbulence in environments on structures of organizations. Their study suggested that high levels of uncertainty like continually changing industries, need decentralized organizational structures that enable them proper decision making and flexibility.

Donaldson (1987, 2001) pointed out relevance of strategical fit suggesting that organizations utilization of their strength in adjusting with external pressures by utilizing properly aligned strategies. The role of aligning strategy is clearly explained by such aspects of contingency theory. The study recommendation was organizations should adapt their basic strategies to align with internal and external organizational threats and dangers.

Uptodate and dynamic, ready to change strategies are becoming inevitable in today`s changing and highly competitive world. According to Lee and Miller (1996) organizations are prone to higher levels of change must have adaptive and highly flexible strategies as it has been indicated in their study assessing the effect of environmental dynamism on organizations strategy. Their finding showed that those organizations working in changing market environment should give priority to differentiation and innovation, rather those in relatively stable working environment may rely on cost control and efficiency. Organizations having relatively larger size must have strategies pertaining diversification but others with few resources should limit to the cost leadership. Moreover, organizations utilizing advanced technologies should use strategies attached with dynamism and innovativeness, while those with lesser techs should utilize cost reduction and efficiency maximization approaches (Lee & Miller, 1996).

Most recently, Burton and colleagues completed the contingency approach with other environmental factors: changes of competition and technology (Burton et al., 2004), environmental uncertainty (Burton & Obel, 2018), and complexity and unpredictability (Burton et al., 2021). Organizational size, ownership and technology (Burton et al., 1999), 26 and workforce size and capabilities (Burton et al., 2021) have also been addressed. All of the four referenced studies deal with the structural (example-configuration, span of control, formalization, centralization, communication, coordination) behavioural (example-organizational climate, leadership style) and performance aspects. Goals and strategic focus are also a main concern of the studies (Burton et al., 1999, 2004, 2021). New external pressures such as sustainability and digitalisation have been added to contingency elements (Csedő 2023; Magyari et al., 2022). It became evident that organizations with advanced sustainable technology and greater resources tend to have more flexibility in adapting to environmental changes. Larger organizations typically have more resources, which allow

them to implement more complex strategies and structures. Flexibility maintenance and activity coordination is a challenge for larger organizations performing in dynamic and resilient work environment. Large scale dynamic swip is somehow difficult for those organizations having lesser structure and resource.

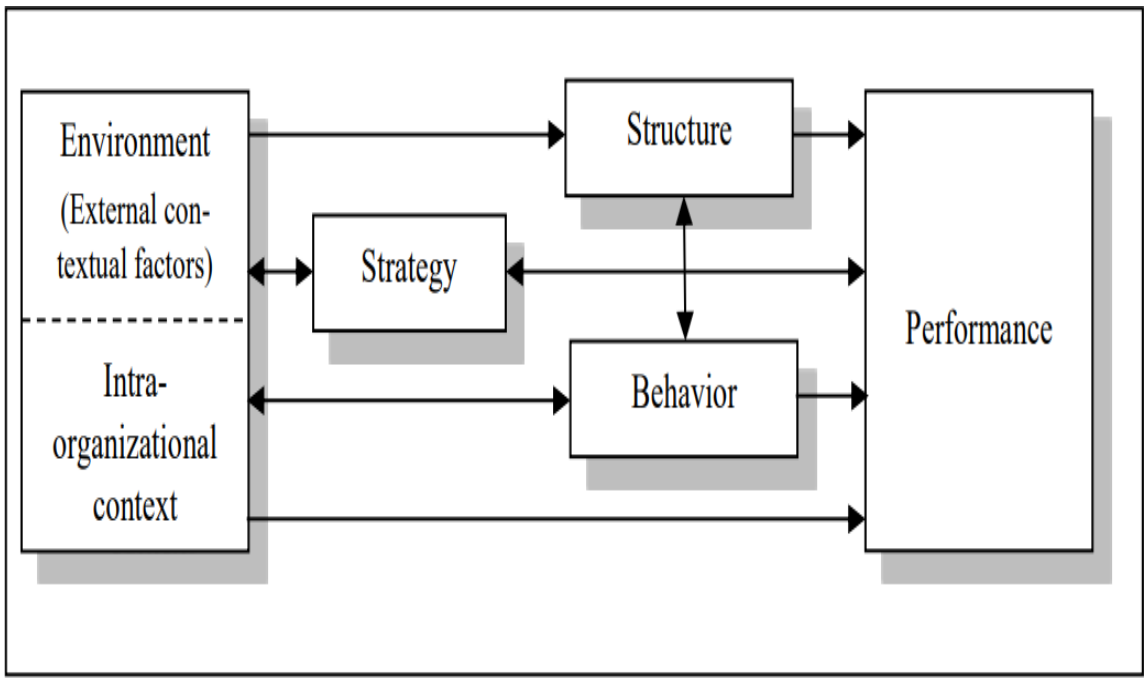


Fig. 6. Contingency theory model representation (Dobak, 1998)

2.6. Employee Performance

Active job duty execution, responsibility fulfilment and timely achievement of goals could be described as a basic concept in employee performance. Encompassing value adherence, initiative, work as a team together with quantity, quality, efficiency and work consistency all together explain the performance of employees in an organization. Anguinis (2019) stated that satisfaction of customers, profit and productivity margins are all factors that affect the success of an organization explaining high performance of the employees. Organizational goal attainment, and employee job duty execution along with the quality and

quantity of the work, initiation and team work referred to as performance (Rotundo & Sackett, 2022).

Denisi and Smith (2014) best put performance management system as a requirement for maximizing performance.; being a vicious cycle, which holds goal setting that is clear, measurable and provision of monitoring and feedback; and carrying out regular evaluation to rule out developmental needs and high achievement rewards. Ultimately, organizations that systematically manage and improve employee performance are better positioned to execute their strategic objectives and maintain a competitive advantage in the marketplace (Aguinis, 2019).

Since an organization's success depends on its employees' creativity, inventiveness, and dedication, it is imperative that they perform well (Ramlall, 2012). In order to stabilize the economy through better living conditions, high wages, more readily available items for consumption, etc., good work performance and productivity growth are also crucial (Anyim, 2012). According to the anticipated theory of rewards and employee performance, employees are most motivated to perform well in order to obtain bonuses and prizes. The main incentive to improve employee performance is rewards, which are given when people perform well. Monthly awards also improve performance in other areas where acknowledgment is seen favorably. As stated in (Rizwan & Ali, 2010), the employee is inspired by the organization's positive work environment (Freedman, 1978).

Performance is the verifiable result or output of work done by an individual employee, a management process, or an entire organization. As articulated by Sedarmayanti (2011: 260), this concept (translated from 'performance') must always be supported by tangible and quantifiable evidence.

Performance is the capacity to deliver satisfactory outcomes in specific work-related tasks (Duha, 2018: 43). Performance, on the other hand, is the outcome of the work that

employees do or actual conduct that is demonstrated in accordance with their role in the company, claims Hariandja (2012: 195). Performance, as defined by Robbins in Bryan (2014: 05), is the outcome that workers attain in their work in accordance with specific standards that are relevant to a job.

An efficient performance management plan is necessary to inspire workers to give their best effort. Performance management alone is not enough to be effective. The most important factor is how managers and employees take performance management seriously and how devotedly they implement it. (2009, Palkos). Performance management is all about synchronization, updating, and excellence in order to create value for and from consumers. This creates economic value for owners and investors. Since performance management has clearly expanded, it should be viewed as a tool to boost employee incentives for exceptional work inside a company. Cokins (2009).

Employee performance is the capacity of workers to achieve goals with the aid of organizational resources in a productive and efficient way (Augustrianto et al., 2018). In addition to their ability to meet organizational objectives, one important aspect is their willingness to embrace the organization's culture (Diana et al., 2021). It talks about the amount of output generated by a worker's job performance during a given time frame in a business (Dhammika, 2017). Through ongoing evaluation, management might be able to obtain the data needed to establish priorities, draft the necessary policies, and then put corrective measures into place to continuously raise the standard of work produced (Isychou et al, 2016).

2.6.1. Measuring Employee Performance

Different academics have different definitions and metrics for performance. According to Awadh and Alyahya (2013), performance is the degree to which a worker achieves the goals of the company in the workplace. According to Nigussie (2018),

performance is measured on a low, medium, and high scale and includes employees' physical and mental ability to do tasks precisely. The behavior-based aspect that is thought to correspond with job definitions and work conditions is known as the action element.

According to Ricardo (2001), the terms productivity and performance have distinct meanings. In contrast to performance, which is a component of productivity, consistency, and work quality, productivity involves the ratio showing the mass of tasks completed in a given amount of time. Armstrong (2009) defines performance as the accomplishment of a certain job function as measured against predefined, specified parameters of speed, accuracy, absoluteness, and cost. Employee efforts toward achieving organizational goals may potentially be the cause. Employee performance is considered a critical component in all businesses since it is clear from the aforementioned considerations that it is the cornerstone of an organization's success.

Employee performance, according to Nigussie (2018), is the cornerstone that sustains a company when it leads to its successful growth. When every person operates in accordance with established standards, organizational performance can be improved (Chegini, 2010). Therefore, it makes sense that job performance is considered an essential criterion that deals with an organization's results and exploits. Given the critical importance of job performance, managers must carry out thorough assessments of their employees to determine the key elements that lead to improved job performance. Employee performance has been examined in a number of researches using various quantitative measures.

Employee performance measures that range from management by objective to overtime per employee are suggested by Vulpen (2018) of AIHR Analytics. Originally intended to quantify performance at the organizational level, the balance score card is now useful in personnel performance appraisals (U.S. Office of Personnel Management, n.d.). According to Silverstein (2018), the majority of these indicators are arbitrary. Therefore, in

order to prevent bias, management should assign employee performance metrics or use a combination of metrics from many peers and supervisors. In order to bolster Silverstein's (2018) claim, Na-Nan, Chaiprasit, and Pukkeeree (2018) conducted a quantitative assessment of employee performance from the viewpoint of the employees.

To build constructs, Na-Nan, Chaiprasit, and Pukkeeree (2018) surveyed 260 workers on Thailand's auto parts production line using a 5-point Likert scale questionnaire. Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were used to first validate these items using job time, job quality, and job quantity. A composite reliability of 89.4% (CR = 0.894) and an average variance extracted of up to 73.9% (AVE = 0.739) demonstrated the validity of the questionnaire as a trustworthy instrument for evaluating employee performance. These scales are expected to help researchers and practitioners test theories in a developing country environment, according to Na-Nan et al. (2018), who based their argument on the factor analysis results.

2.6.2. Individual theory performance

Several theories on individual performance have been developed, examining various aspects such as job performance, organizational citizenship behavior, contextual performance, adaptive performance, integrated work role performance, and counterproductive work behavior. A more detailed discussion of each of these theories is provided in this section (Wildman et al., 2010).

A) Job performance behaviors

(J. P. Campbell, 1993) defined performance as synonymous with behavior and further categorized job performance into eight key behavioral components: (a) job-specific task proficiency, (b) non–job-specific task proficiency, (c) written and oral communication task proficiency, (d) demonstrating effort, (e) maintaining personal discipline, (f) facilitating peer and team performance, (g) supervision or leadership, and (h) management or administration.

Task proficiency related to specific jobs mean role-based performance of core technical or basic tasks while task proficiency pertaining to non-job specific refers to the ability to carryout routine workplace tasks like working as team. Communication proficiency either written or oral refers to how effective an employee can speak and write. Expressing effort is seen in an employee frequency, persistency and willingness effort exertion and personal discipline maintenance mean not having those negative or awkward work environment behaviours like drug abuse, persisted absenteeism beyond threshold.

Campbell also described leadership involves those actions focused on improving colleagues performance. Lastly, progress monitoring and goal setting are expected from the administrations or those at managerial level. Job performance was considered as a construct having multidimensional nature as described in the Campbell et al`s theory. He and his colleague breakdown it into different segments emphasizing that performance could not be fully understood by a single measure leaving the multidimensionality nature aside.

B. Organizational citizenship behaviour

Campbell et al (1993) left other traits and described task performance defined by description of specific job which is considered as a drawback. The concept leftout the external informal parts of the job which impact the overall performance. To fill this gap, other researchers and scholars instill new concepts of performance like organizational citizenship behaviour (Borman et al., 2001). It was clearly put in their review that there are seven major citizenship behaviour types including helping others, sportsmanship, loyality to organizations, compliance, individual initiative, civic virtue and self-development (Podsakoff et al., 2000).

Proactive action taking on potential threats and giving assistance to those in need related to work is described as helping others behaviour. Refraining from complaints in difficult environments and always having positive constructive attitude is explained as

sportsmanship. Endorsing, supporting and defending organizational goals and the entity itself is loyalty. Compliance refers as adherence to rules, regulations and procedures of the organization regardless of superiors' supervision. Individual initiatives mean having working standards beyond those job requirements. Civic virtue is explained as a strong organizational commitment reflected by actions meeting attendance and having information about external dynamics that may affect the organization (Posdakoff et al., 2000). Self-development overall holds those actions taken by individual employees voluntarily exerting efforts to improve their work skills, abilities and related knowledge.

In general, OCB`s pose a challenge in execution of performance management due to the fact that they are not needed as part of the work. Ethical issues will be raised if the employees are included in the routine evaluation of performance with no upfront know-how. To put it simply, behaviour-based employee assessment which lack official alignment with the tasks are considered inappropriate.

C) Contextual performance

Motowildo (2003), suggested that organizational effectiveness is improved by performance in context all influenced by psychosocial and environments in the organization. Borman et al (2001) polished the contextual performance principles by sorting behaviour into three distinct groups that are personal support, organizational support and conscientious initiative. Personal support involves helping others with jobs and making interpersonal interaction clear and dependable. Defending and promoting organization is seen under organizational support and the last performance conscientiousness drive mens putting extra efforts at work and exploiting every chance of self-development.

It is quite difficult to tell between organizational citizenship behaviour and contextual performance including their measurement procedures because behaviours are not part of the

job requirement. Ethical issues may be raised if contextual performance ony done to complete evaluation.

D) Adaptive Performance

Behaviours expected to improve effectiveness in work that are dynamic, complex, not certain and dependent to each other are not included in the Campbell job performance model (Griffin et al., 2007). In order to give remedy to the above disparities, an empirical and theoretical model of adaptive job performance with basic eight traits developed that enable assessment of how well each one goes along with new job demands (Pulakos et al., 2000). Giving appropriate and timely response to the life threatening and problematic situations is the concern of the first trait which is crisis handling.

Formulating new and effective remedies for complex problems and presenting with a range of approaches is considered as creative problem solving. Giving proper solutions to unexpected work problems is quite the same to emergency management as it needs countering events that are unexpected. Conversely, plan, goal and strategy alignment is the main concern of this dimension rather than letting them out. Adaptive performance is expressed by acts like learning job tasks. New techs and procedures that render going in line with new and evolving job requirements, technological advancements and procedures. Being considerate, maintenance of good relationships in communication and being an open-minded one is required by interpersonal adaptability. Cultural adaptation needs engaging effectively with others considering the cultural differences and adapting to new ones. To summarise, physical work condition adjustment, like change in temperature at work place, or physical ability improvement is required by physically oriented adaptability.

E. Integrated work role performance

Griffin et al (2007) instilled a model that is built upon the previously researched concepts i.e. the work role performance. Determination of those crucial behaviours in an

organization is derived by contexts. Particularly, they put unpredictable changes in a working environment hinders formalization of rules and understanding of the impact of environment on the work roles in a larger system.

Three levels of behaviours related to work which are individual, team and organizational, and three types of behaviours related to work; proficiency, proactive nature and adaptability are considered in order to set a whole picture of the dimensions of performance. Nine sub traits are discussed under this classification; the individual proficiency of tasks, cooperative proficiency and organizational member proficiency, all benefiting the organizational reputation and success. Giving appropriate responses to the dynamism of the work-related environment needs all the structure namely; organization member, individual task adaptability and team member adaptivity. Moreover, wide range of self-initiation and proactive thinking is covered in individual job proactivity, group member proactivity and organizational member proactivity as a whole.

This performance model is more comprehensive than earlier ones, as it integrates role behavior, adaptive behavior, and proactive behavior across multiple levels of work. However, it still lacks full inclusivity, as it does not account for counterproductive work behaviors (CWBs).

F) Counterproductive work behavior

Up to this point, theories of individual performance have primarily focused on positive workplace behaviors. However, employees are also capable of engaging in negative or dysfunctional behaviors, collectively referred to as counterproductive work behaviors (CWB) (Sackett, 2002). CWB encompasses any intentional actions by employees that go against the organization's interests. These behaviors include various forms of workplace deviance, such as theft, property destruction, substance abuse, and poor attendance. Some

researchers argue that CWB is not a separate construct but instead represents the negative end of the citizenship behavior continuum.

2.6.3. Relationship between Organizational Culture and Employee Performance

Culture has been studied with performance and effectiveness up until recently. According to Reichers and Schneider (1990), culture scholars have contributed a great deal about the nature and definitions of culture, they have written comparatively less about culture and performance research (cited by Seyed et al., 2015). This is partly because it can be challenging to operationalize the cultural construct (Lee & Yu, 2004).

When it comes to practicality, organizations with excellent performance ratings are synonymous with powerful, well-established cultures. Employee performance is related to organizational culture, but the nature of this relationship is inconsistent. Given that organizational culture can encourage adherence to the organization's ideology and values and serves as a safeguard to guide attitudes toward goal attainment and certain forms of organizational efficiency and productivity over others, it makes sense that organizational culture would aid employees in understanding the organization's history as well as current operational procedures (Bulach et al., 2008).

Failure in an organization is inevitable whenever there is a defective culture that undermine performance, while the proper culture in an organization leads to the success of the organization. The productivity and success of individual employees is determined by properly established culture that will also enable alignment of organizational member efforts and renders overall understanding of organizational goals (Gordon & Cummins, 1979). Organizational culture that is well established promotes change and improves performance of employees by employee motivation in achieving shared objectives and purposes (Cited in Daft,2010).

Additionally, employee performance is quite impacted by culture of an organization, as the type of culture in different places drives the performance. So, knowing which type of culture is there in an organization and knowing the link with performance is vital for carrying out empirical research on the impacts of organizational culture (Thoron, 2020).

Alverson (2012) argued that strong culture in an organization result in improved performance augmented by (Atosokhi, 2005). Their finding revealed that better established culture in an organization leads to better effect on employee behaviour thereby resulting in performance enhancement. He also coined that firm values that are deeply rooted, accepted and followed characterised a strong culture.

Lunenburg (2011) also claimed organizations having a strong culture could improve behaviour and attitude of their employees that boost performance. He also described that organizational success depends on the clearly known values that are expresses through actions improving common perception. Guided by the shared values and organizational beliefs, employees perform well towards the common organizational goals. In this way, a strong organizational culture creates a unified approach to success, enhancing both individual and organizational performance.

Hence, the objective of this study is to examine whether organizational culture impacts employee performance. Specifically, it seeks to investigate how different aspects of the organization's culture impact the performance of employees at Ministry of Revenues of Ethiopia, and ultimately provide recommendations for improving organizational culture to enhance employee performance based on the study's findings.

2.2. Empirical Literature Review

Going along with the main aim of this research, the upcoming paragraphs shows research finding of different scholars who tried to investigate the effect organizational culture (Involvement, consistency, adaptability and mission) on employee performance.

A) Involvement and Employee Performance

A study conducted by (Nongo & Ikyanyon, 2012) found a significant and positive relationship between involvement and performance. This means that employees are committed to their organizations when they are involved in decision making. The key success factors for organizations today are employee empowerment, teamwork, and employee development. These enable managers and employees more committed to work and feel that they own a piece of the organization. People at all levels feel that they have at least some inputs into decisions that will affect their work and that their work is directly connected to the goals of the organization.

Furthermore, (Firuzjaeyan, Firuzjaeyan, & Sadeghi, 2015) Involvement is one of the most important dimensions of organizational culture and it has great role in fulfilment of organizational commitment of teachers. This shows that people participation in work helps their intention to stay in work space. The employees‟ Involvement means using them in decision making and this leads to the stability of their commitment".

B) Consistency and Employee Performance

(Radmard & Ardakani, 2014) revealed that there is positive relationship between consistency and employee commitment in which coordination and integration, agreement and fundamental values as a component of consistency increase employee commitment to provide efficient and effective work. Similar, (Hakim & Hidayat, 2018) asserted that an indicator of the most powerful in shaping the Organizational culture variable is stability (consistency). It means that, cultural Values that received the most attention in the activities of the organization, which emphasizes the maintenance of the status quo as a contrast to the growth will have positive effect on organizational and employee performance.

C) Adaptability and Employee Performance

Adaptability predicts employee performance more than any other corporate cultural variables. Employees are more committed to organizations that adapt to changing

circumstances. Companies should encourage innovation and teamwork among employees. This will enable employees adapt in an environment of change, thereby improving their level of commitment. (Nongo & Ikyanyon, 2012)

Similarly, employees exhibited the highest organizational commitment when they perceived higher learning culture (adaptability traits) which includes culture of creating, acquiring, and transferring knowledge and also quickly react to current trends, and anticipate future changes. (Azadi, Farsani, Farsani, & Aroufzad, 2013).

D) Mission and Employee Performance

According to (D. R. Denison & Mishra, 1995) mission provides purpose and meaning by defining social role and external goals for the organization. And also mission provides clear direction and goals that serves to define an appropriate course of action for the origination and its members which result the increase in level of employee commitment to the organization.

Salanova, Schafeli and Bakker(2006) revealed in their study the relationship between burnout and the culture of an organization. A survey of 1078 employees was used to extract information in ten different European countries.

The findings of the study implicated that mission; involvement, adaptability and consistency are all positively related with the burnout of employees. Particularly, the research highlighted a culture which is supportive and constructive is statistically negatively related with burnout. Moreover job engagement also found to be associated with culture of an organization.

To finalize, the research clearly showed the four different dimensions of culture are closely associated with the performance of employees. Beyond contribution to literatures, the studies give clear insight to the relationship between corporate culture and employee performance results. According to the reviewed literatures above, a variety of methods and

analytical techniques were employed to answer the research questions hypothesized in their respective studies.

2.3. The conceptual framework

A clearly put conceptual frame work enables every reader to easily grasp what is needed to be communicated. The specific framework for this study is organized from the presented reviews of different literatures and illustrated in the coming diagram. The independent variables are linked with the dependent variable, employee performance.

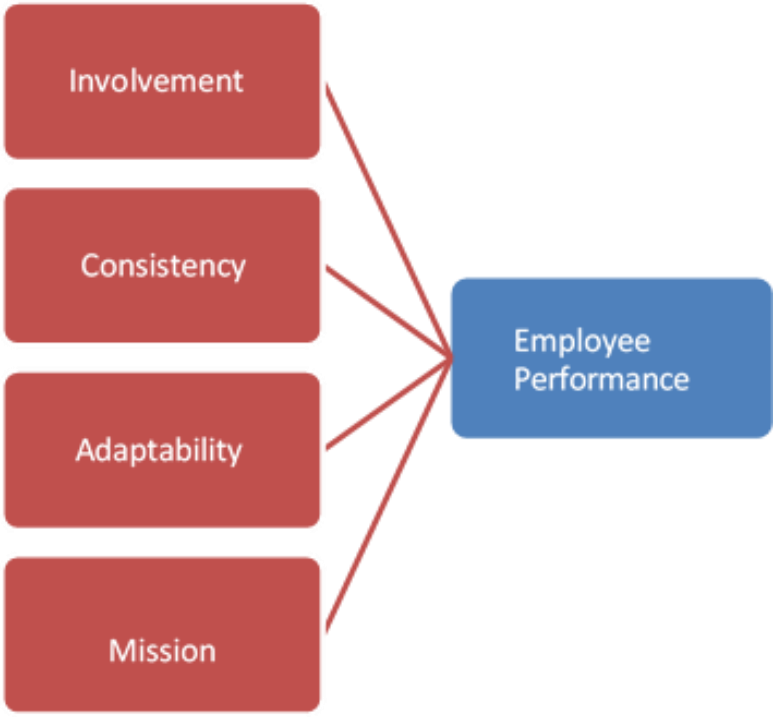


Figure 7: Conceptual framework of the study

Source: Adopted from Denison framework

CHAPTER THREE

RESEARCH METHODOLGY

Research methodology refers to the systematic examination of the approaches utilized in research. Consequently, this chapter centres on the methodology and design of the study, outlining the steps taken in carrying out the research. It specifies the research design, target population, sample, and sampling methods. Furthermore, it explains the tools used for data collection and techniques for data analysis and presentation, as well as the ethical principles adhered to throughout the research.

3.1. Research design and Approach

A pre structured strategy/plan that gives direction to the study how data is going to be gathered, how data will be analyzed and interpreted. According to Smith et al (2015), the design of the research organizes the activities so that the effective achievement of objectives is possible.

This study employed explanatory research design to show the causal relations between the dependent variable (employee performance) and the independent variables (Involvement, Consistency, Adaptability, Mission) and measured the effects of each dimensions on employee performance using correlation and regression analysis.

In order to meet the stated study objectives, mixed method of research approach was used utilizing a semi structure interview and survey questions.

3.2. Population of the study

Six hundred thirty professional employees were considered as target population from the head office of ministry of revenues.

This segment of the population was favoured due to the fact that they have ample information about their organization. They are therefore better positioned to comprehend and

identify the effect of organizational culture on employee performance. This sampling frame was made up of Management and professional staff across various departments and divisions.

3.3. Sample Size

In order to ensure gaining of reliable findings and clear data collection, sample size determination was necessary requirement before data collection. Sample size was calculated using the simplified formula (Yamane, 1967:886, as cited in Adam, 2020) making confidence interval 95% and precision level 5% and the degree of reliability 5%.

n= N/1+N (e) ^{2}, where, sample size= n, the total number of population=N and level of precision=e.

n=630/1+630(0.05)^2

n= 245

245 professional employees were selected by using the formula above from the 630 target population

3.4. Sampling Procedure

245 professional employees were selected from the 630 target population employees. Using a proportionate sampling was necessary because of the different number of employees in each department.

The minister office, e-data division, tax operation division, tax system division and organizational capacity and support office are the five strata used in the ministry of revenues. A list of all the 630 employees was obtained from the human resource department and was used as a sampling frame for the selection of study participants. In order to ensure representativeness proportionate random sampling from each strata was used.

Finally, 245 employees were selected from each division by using stratified sampling and simple random sampling technique

Section	Gender		Total Population	Sample
	Female	Male		
Minister Office	42	64	106	**41**
Tax Operation Division	57	29	86	**33**
Tax System Division	83	132	215	**84**
Organizational Capacity and Support Office	57	81	138	**54**
E-data Division	25	60	85	**33**
Total	**264**	**366**	630	245

Table3.4.1: Sample profile of the study participants

Source: Ministry of Revenues, Human resource directorate, Human resource information and service team.

3.5. Data Sources

Primary Data: Survey questions will be used to gather data from employees and management at the Ministry. The survey will target a representative sample of both employees and management across different departments or levels within the ministry.

Secondary Data: Existing literature on organizational culture and performance.

3.6. Data Instrument

Data instrument, often referred as data collection instrument, is any tool, device, or procedure used by a researcher to collect, measure, and analyze data relevant to the proposed research question or hypothesis. Common research instruments include interviews, observations, and surveys (Creswell & Creswell, 2017)**.**

Surveys: Structured questionnaires were distributed to assess perceptions of organizational culture and performance.

A ***semi-structured interview:*** a data used to supplement the survey responses was obtained by using a semi structured interview.

3.7. Data Analysis Methods

Inferential and descriptive statistical analysis was used to analyse the data from the survey. Quantitative survey questionnaire data will be cleaned, coded, and analysed using statistical package for social sciences (SPSS Version 25). The data gathered using the semi-structure interview guide was analyzed using narrative analysis trying to make sense of the responses given by the study participants.

3.8. Validity and Reliability

3.8.1. Validity

Validity refers to the extent to which a measure, such as the items in a questionnaire, adequately represents or measures the concept or variables of interest. Content validity refers to the extent of measurement as intended. Overall, its major concern is measurement accuracy (John et al., 2007).

A sample questionnaire was administered to 15 respondents before distributing the finalized version, and adjustments were made to the questionnaire items based on their feedback. Additionally, several measures were employed to ensure that the results be free from material errors in the design of the questionnaire. These measures include clarity of instructions, clarity of questions, the layout of the questionnaire, and other comments. Thus, the content validity of the questionnaire used in this study was confirmed.

3.8.2. Reliability

Kothari (2004) expresses that a reliable instrument of measurement invariably provides identical response. Cronbach's alpha is a coefficient of reliability commonly used to measure the internal consistency of a psychometric test score for a sample of examinees. Cronbach’s alpha was seen to test the research instrument`s reliability. Reliability score between .8 and .95 were considered as very good, those between .7 and .8 were good and

those between .6 and .7 considered fair reliability as it was put by Zikmund, Babin, and Griffin (2010).

Table: Reliability Test Result

Variables		Number of Items	Cronbach's Alpha
Organizational Culture	**Involvement**	8	.66
	Consistency	7	.68
	Adaptability	7	.69
	Mission	6	.69
	Overall	28	**.89**
Employee Performance		9	**.73**

The organizational culture has a total of 28-items with four major dimensions. The Cronbach's alpha coefficient for the four dimensions range from .66 to .69 and the internal consistency (alpha value) for the whole scale was found to be .89. The employee performance scale has 9 items with a calculate Cronbach's alpha value of .73 concluding the favourable internal consistency for the items.

3.9. Ethical Consideration

Conformity to ethical guidelines was essential throughout this study. Participants were explicitly informed that their involvement is entirely voluntary, and that non-participation or withdrawal at any stage does not result in any negative consequences. They were provided with a comprehensive confidentiality agreement detailing how their data were handled. To ensure anonymity, no personal identifiers such as names, job titles, or positions are included in the study's documentation. In order to clear the minds of the study participants and enhance their cooperation, each of them were given clear information on purpose, research questions and objectives of the study. Ethical approval was also obtained from the university ethics committee prior the data collection.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, AND DISCUSSION

4.1. Introduction

This chapter presents the results of the current study, presentation s and discussions. The sociodemographic descriptions, levels of the study variables, the relationship between the variables and the variance of employee performance explained by the organizational culture traits are all the main focus of this chapter.

4.2. Response Rate

By using the sample size determination formula (Yemane, 1967), 630 employee were considered as study population and among these 245 participants were selected. After distribution of the survey questionnaire, 235 usable papers were returned making the response rate 96% that was satisfactory to support the study findings reliability.

Table 4.2.1. The response rate of respondents

Questionnaire	Count	percentage
Returned and usable	235	96
Returned and unusable	10	4
	245	100

Source: *Own survey, 2025*

4.3. Description of sociodemographic traits

Table 4.3.1. Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	138	58.7	58.7	58.7
	female	97	41.3	41.3	100.0
	Total	235	100.0	100.0	

Source: *Own survey, 2025*

Out of the two hundred thirty five study participants, 138(58.7%) of them were male and the rest were females that makes the male population slightly higher in number than the female participants.

Table 4.3.2. Distribution by Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	54	23.0	23.0	23.0
	31-40	71	30.2	30.2	53.2
	41-50	75	31.9	31.9	85.1
	above 50	35	14.9	14.9	100.0
	Total	235	100.0	100.0	

Source: *Own survey, 2025*

As shown in table 4.3.2., 75(31.9%) of the study participants were aged between 41 and 50 years, 71(30.2%) were between 31 and 40 years, 54(23%) were in the age group of 18 to 30 years of age and the rest 35(14.9%) were found to be in the age group between 31 and 50 years of age.

Table 4.3.3. Marital status

marital status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	94	40.0	40.0	40.0
	married	103	43.8	43.8	83.8
	separated	1	.4	.4	84.3
	divorced	29	12.3	12.3	96.6
	Widowed	8	3.4	3.4	100.0
	Total	235	100.0	100.0	

Source: Own survey, 2025

In terms of their marital status, the majority of the study participants 103 (43.8%) were married, 94 (40%) were reported single and 29 (12.3%) of them were divorced. The result showed most of the survey participants were married followed by single employees.

Table 4.3.4 Distribution by Education

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	157	66.8	66.8	66.8
	Masters	77	32.8	32.8	99.6
	Other	1	.4	.4	100.0
	Total	235	100.0	100.0	

Source: *Own survey, 2025*

Pertaining to the educational background of the study participants, most of them 157(66.8%) were holders of university degree and 77(32.8%) were masters graduates. The results showed most of the workforce in the ministry of revenues were educated to align with the vision of the institution.

Table 4.3.5. Years of experience

work experience at the Ministry of Revenues					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 3 years	73	31.1	31.1	31.1
	between 4 and 5	53	22.6	22.6	53.6
	above 5 years	109	46.4	46.4	100.0
	Total	235	100.0	100.0	

Source: *Own survey, 2025*

The majority of the study participants 109(46.4%) were having experience of work more than five years that dictates experienced staffs in the ministry of revenues. 73(31.1%) reported they have experience not more than three years, and 53(22.6%) were reported to have experience between four and five years. As it was revealed by the analysis, the experience share of employees was long term.

4.4 Descriptive Analysis of the Organizational Culture Traits

Table 4.4.1. Involvement

Statement	N	Mean	S.D.
Decisions are usually made at the level where the best evidence is provided	235	3.65	0.87
I have my own share of influence	235	3.70	0.90
Proper sharing of information is practical	235	3.67	0.88
People work like they are part of a team.	235	3.78	0.84
Teamwork is used to get work done rather than hierarchy.	235	3.77	0.90
Delegation of authority	235	3.64	0.87
Consistent employee skill exploration	235	3.74	0.91
Employees performance is considered as an input for the success of an organization goal	235	3.74	0.90
Overall	235	3.71	0.48

Source: *Own survey, 2025*

Table 4.4.1 illustrates the analysis of involvement trait that revealed a positive perception with a mean of 3.71(SD=.48). Highest agreement was seen for working as a team with a mean of 3.78. Authority delegation by superiors gained lowest mean which was 3.64, revealing delegating authority to successors was not practiced fully to boost the team work augmented by investment in skills of employees.

Table 4.4.2. Descriptive Analysis of Consistency

Statement	N	Mean	S.D.
Consistent and clear value dictate the way employee perform their duty	235	3.6638	0.94833
Accountability	235	3.7064	0.93081
Code of ethics	235	3.6723	0.90999
Presence of defined organizational culture	235	3.6681	0.91079
Win win solution is our motto in settling disagreements	235	3.6298	0.93093
Predictable and consistent way of doing work	235	3.6638	0.9706
Goal alignment	235	3.6979	0.90947
Overall	235	3.6717	0.54592

Source: *Own survey, 2025*

Analysis related to the items under consistency trait showed a mean score of 3.67(SD=.55) that indicated a stable environment across the organization. Accountability perception of employees for ignorance of the basic values was found to be more than average with a mean score of 3.71 and goal alignment was revealed across different levels with a mean score of 3.7. On the other hand, a win win solution in settling disagreements among employees scored lowest mean score of 3.63 that clearly indicated subtle effort should be there to improve the interpersonal relationship among employees.

Table: 4.4.3. Descriptive Analysis of Adaptability

Statement	**N**	**Mean**	**S.D.**
New and improved ways to do work are continually adopted.	235	3.6809	0.95422
Flexibility in doing work	235	3.5872	0.89863
Understanding needs of customers	235	3.5957	0.9166
Encouragement of face to face contact.	235	3.6043	0.92495
Support for risk taking and innovation	235	3.7191	0.95063
Transparency of all activities in the firm	235	3.6638	0.96619
Continuous learning is the daily objective	235	3.7021	0.94541
Overall	235	3.6505	0.55313

Source: *Own survey, 2025*

The item analysis under the adaptability trait showed a moderate to higher flexibility in the institution with a mean score of 3.65. With the highest mean score of 3.72, risk taking and innovativeness were visible followed by consideration of daily basis learning with a corresponding mean score of 3.70. On the other hand, those survey items scoring under 3.6 mean include being more flexible in performing daily tasks (mean=3.5) and proper understanding of the needs and wants of customers with mean score of 3.5; this clearly showed the way of responding to dynamic situation in the organization should be a future focus area.

Table 4.4.4. Mission trait

Statement	N	Mean	S.D.
There is a clear mission that gives meaning and direction	235	3.6383	0.96134
On-going monitoring of alignment of goals with progress	235	3.7234	0.93146
Presence of realistic, ambitious goals	235	3.566	0.93764
There is a widespread agreement about goals.	235	3.7064	0.949
Our mission creates excitement and motivation for our employees.	235	3.7234	0.90823
We have a shared vision of what the organization will be like in the future.	235	3.6213	0.94574
Overall	235	3.6631	0.58682

Source: *Own survey, 2025*

The analysis of the Mission dimension shows an overall mean of 3.6631 (S.D = 0.58682), indicating that employees generally feel directed by a clear organizational purpose. Participants reported the highest satisfaction with the tracking of progress against goals and the excitement created by the mission (Mean = 3.7234 for both). However, the ambitiousness and realism of the organization's goals received the lowest score in this section (Mean = 3.566), suggesting a slight gap between organizational aspirations and employee perceptions of feasibility.

4.5. Descriptive Analysis of Employee Performance

Table 4.5.1. Description of Employee Performance

Statement	N	Mean	S.D.
I effectively collaborate with my team members to achieve shared goals.	235	3.5915	0.98446
I follow through on my commitments and take ownership of my tasks.	235	3.6723	0.99092
Consistent work quality maintained	235	3.6979	0.99475
Positive attitude and adaptability	235	3.6851	0.92149
Consistent guidance on decision making by value of the organization	235	3.6468	0.96893
Problem solving, innovative and new idea contribution	235	3.7532	0.87629
Active search of change opportunities	235	3.6766	0.96835

Goal achievement	235	3.7532	0.95112
Devotion	235	3.7404	0.91793
Overall	235	3.6908	0.53553

Source: *Own survey, 2025*

The overall mean score of 3.70 with standard deviation of .54 revealed higher level of involvement. The study participants also agreed for the item considering their input for new ideas and their goal achievement endeavour with mean score of 3.75. The lowest score 3.59, was revealed by the item analysis for the team collaboration in achieving the common goals of the organization that clearly showed an effort is needed to align it with the positive performance traits.

4.6. Inferential Statistics

4.6.1. Correlational Analysis

The relation between the organizational culture dimensions and employee performance was assessed using the person correlation coefficient matrix analysis. The assumptions for computing the correlation were all according to the criteria's to be met prior analysis.

Table 4.6.1. Study variables correlation

		INVOLVEMENT	**CONSITENCY**	**ADAPTABILITY**	**MISSION**	**EP**
INVOLVEMENT	Pearson Correlation	1	.699**	.684**	.666**	.698**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	235	235	235	235	235
CONSITENCY	Pearson Correlation	.699**	1	.623**	.613**	.685**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	235	235	235	235	235
ADAPTABILITY	Pearson Correlatio	.684**	.623**	1	.688**	.665**

	n					
	Sig. (2-tailed)	.000	.000		.000	.000
	N	235	235	235	235	235
MISSION	Pearson Correlation	.666**	.613**	.688**	1	.697**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	235	235	235	235	235
EP	Pearson Correlation	.698**	.685**	.665**	.697**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	235	235	235	235	235
**** Significance is considered at .001 level (2 tailed)**						

Source: *Own survey, 2025*

As it is illustrated in the table above, positive strong correlation was seen between all the study variables considered under this study. Their relationship with employee performance was as follows;

- Involvement: $r(233) = .70$, $p < .001$
- Mission: $r(233) = .70$, $p < .001$
- Consistency: $r(233) = .69$, $p < .001$
- Adaptability: $r(233) = .67$, $p < .001$

These results indicate that higher levels of organizational involvement, consistency, adaptability, and a clear mission are significantly associated with increased levels of employee performance. Mission and involvement traits showed scores of strong relationship with the performance of employees.

Table 4.6.2. Correlation summary

Correlations

		Overall Culture	Employee Performance
Overall Culture	Pearson Correlation	1	.795**
	Sig. (2-tailed)		.000
	N	235	235
Employee Performance	Pearson Correlation	.795**	1
	Sig. (2-tailed)	.000	
	N	235	235
**** Significance is considered at .001 level (2 tailed)**			

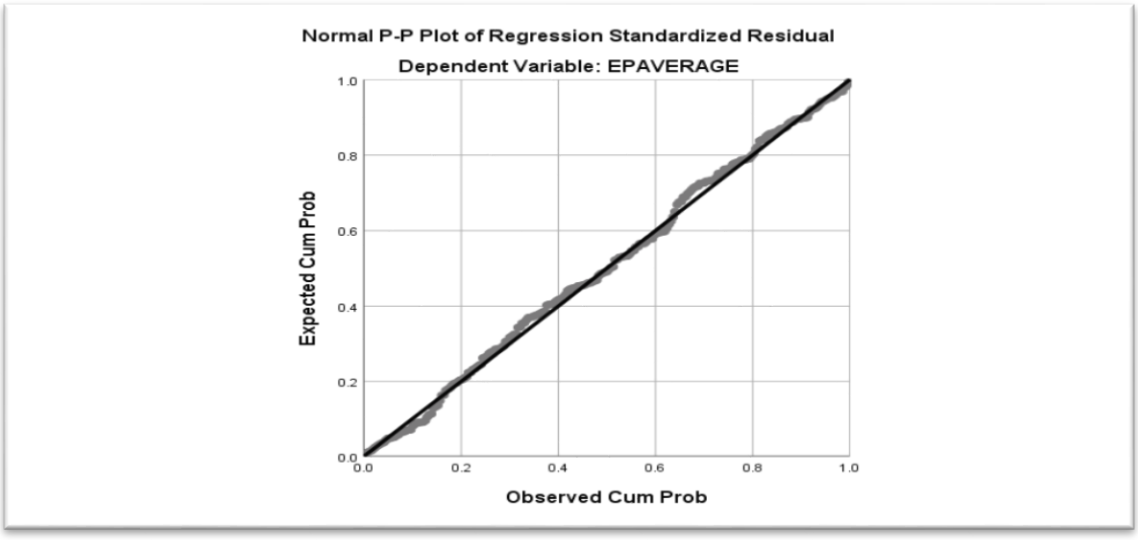
Source: *Own survey, 2025*

The employee performance that was reported by the study participants was checked for its tie with the strong organizational culture using the Pearson correlation. The analysis showed the strong positive correlation between the organizational culture and employee performance variables, r (233) = .80. P < .001. The coefficient of determination (r^2 = .63) indicated that the culture of the organization under study accounted for 63% of the total variance in employee performance that was backed by effect size convention (Cohen, 1988) as having a large effect.

4.6.2 Regression Analysis

4.6.2.1. Assumptions

Assumption for Linearity

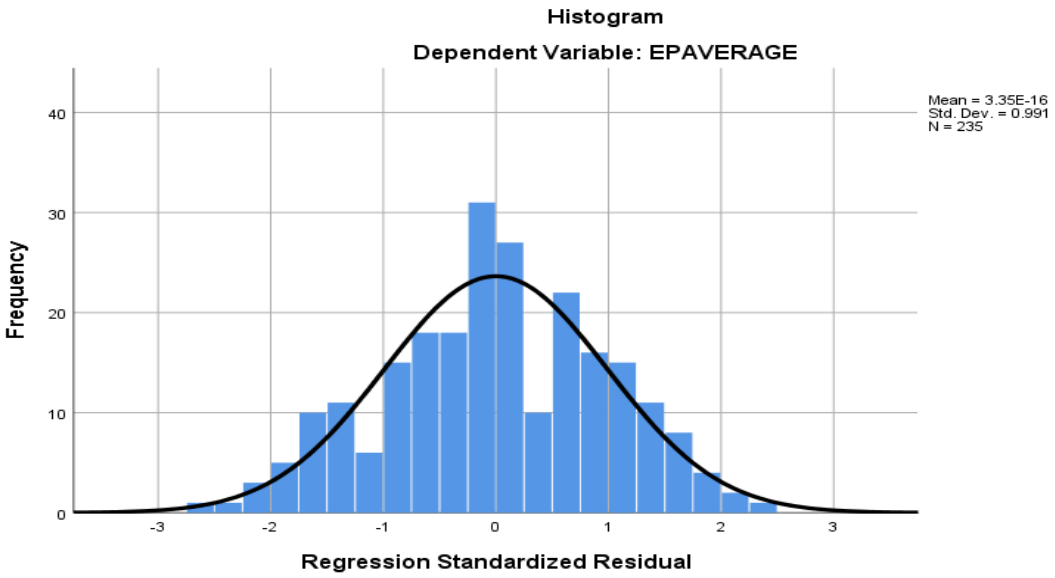


Source: *Own survey, 2025*

Fig. 4.7.1. Linearity

The normality assumption was ensured by the score points lying along the diagonal line. This finding supported the computation of the tests proposed.

Normality Assumption



Source: *Own survey, 2025*

Fig 4.7.2. Normality

The dependent variable of the study was checked for requirements of regression assumptions by histogram generation for the standardized residuals. The histograms generated were assessed visually revealing a normal distribution pattern assuming a bell shaped curve with more scores at the centre than both he tails. The theoretical assumptions were met with mean score of zero and a standard deviation of .99 that is consistent with standard normal distribution. Overall, the output of this analysis permits the further computation of statistics like regression (Montgomery & Runger, 2018).

Assumption for Multicollinearity

Tolerance and variance inflation factor values were considered for the multicolinearity assumption to go ahead with multiple regressions. Hair et al., 2019 suggested there is a

problem in this multicollinearity assumption if VIF value is above ten and tolerance values less than .10. Table 4.6.2.1 shows the threshold.10 and above for tolerance was met by all the independent variables ranging between .38 and .44. Correspondingly, the VIF values ranged from 2.193 to 2.610, which are significantly below the conservative cut-off of 10 (or even the stricter cut off of 5). These results indicate that there is no multicollinearity among the independent variables, confirming that each dimension of organizational culture contributes unique information to the model.

Table 4.6.2.1 SPSS output for the test of multicollinearity

Model		**Collinearity Statistics**	
		Tolerance	VIF
1	(Constant)		
	Involvement	.383	2.610
	Consistency	.456	2.193
	Adaptability	.420	2.378
	Mission	.440	2.273

Source: *Own survey, 2025*

4.6.3. Multiple Regressions

Table 4.6.3.1 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796a	.634	.628	.32683
a. Predictors: (Constant), Mission, Consistency, Adaptability, Involvement				
b. Dependent Variable: Employee Performance				

Source: *Own survey, 2025*

A multiple linear regression analysis was conducted to determine the extent to which organizational culture traits (Mission, Consistency, Adaptability, and Involvement) predict Employee Performance. The results of the regression, as shown in the above table, indicated

that the model is a strong fit for the data. The multiple correlation coefficient (R = .796) indicates a strong positive relationship between the combined predictors and the dependent variable.

The coefficient of determination (R^2 = .634) reveals that the model explains 63.4% of the variance in Employee Performance. Even after adjusting for the number of predictors, the Adjusted R^2 of .628 remains high, suggesting that the model has good generalizability and that the predictors are statistically relevant. The standard error of the estimate was recorded at .32683, indicating a relatively low level of prediction error.

Table 4.6.3.2 ANOVA Table Summary

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.543	4	10.636	99.570	.000b
	Residual	24.568	230	.107		
	Total	67.110	234			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Mission, Consistency, Adaptability, Involvement						

Source: *Own survey, 2025*

The ANOVA results (see Table 4.6.4) indicate that the overall regression model is a statistically significant predictor of Employee Performance, F (4, 230) = 99.570, p < .001.

The total sum of squares (67.110) represents the total variation in employee performance, while the regression sum of squares (42.543) represents the variation explained by the model. Because the significance value (Sig.) is **.**000, which is below the standard alpha level of .05, we can reject the null hypothesis and conclude that the combination of Mission, Consistency, Adaptability, and Involvement significantly predicts performance outcomes.

Summary table of Regression Coefficient

Model		Unstandardized Coefficients	Standardized Coefficients		t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.342	.174		1.972	.050
	Involvement	.246	.072	.221	3.424	.001
	Consistency	.254	.058	.259	4.384	.000
	Adaptability	.153	.060	.158	2.569	.011
	Mission	.258	.055	.283	4.704	.000

Source: *Own survey, 2025*

The individual contribution of each predictor was examined to determine its influence on Employee Performance. As shown in the above table, all four dimensions of organizational culture; Involvement, Consistency, Adaptability, and Mission were found to be statistically significant positive predictors of the dependent variable ($p < .05$).

The Mission dimension emerged as the strongest predictor of Employee Performance (beta = .283, t = 4.704, $p < .001$), followed by Consistency (beta = .259, t = 4.384, $p < .001$). Involvement also demonstrated a significant positive effect (beta = .221, t = 3.424, p = .001). Finally, while Adaptability was a significant contributor, it had the lowest relative impact on the model (beta = .158, t = 2.569, p = .011). The positive Beta values for all variables indicate that as scores in each of this organizational culture traits increase, employee performance levels also increase.

The regression model for this study;

Employee Performance = 0.342 + 0.246(Involvement) + 0.254(Consistency) + 0.153(Adaptability) + 0.258(Mission)

4.6.4. Hypotheses Test using Regression Analysis

Hypothesis 1: Involvement has a positive and significant effect on Employee Performance.

Null Hypothesis: $\mathbf{H_o: r = 0}$

Alternative Hypothesis: $\mathbf{H_1: r \neq 0}$

Table 4.6.4.1 Model summary for the effect of Involvement on Employee Performance

Model Summary				
R Square	Adjusted R Square	Std. Error of the Estimate	R Square	Adjusted R Square
.488	.485	.38418	.488	.485
a. Predictors: (Constant),Involvement				

Source: *Own survey, 2025*

To evaluate the relationship between involvement and Employee Performance, a simple linear regression was conducted. The results of the regression as illustrated above indicated that the predictor explained a significant portion of the variance in the outcome. The coefficient of determination (R^2) was .488, suggesting that 48.8% of the variance in Employee Performance is accounted for by the average involvement level. The correlation coefficient (R = .698) indicates a strong positive association between the two variables.

Regression analysis result showed that a significant and positive effect in the performance of employee (ß=.221, t= 3.424, p=.001) which supported the rejection of the null hypotheses (Ho: r=0). So, the alternative hypotheses (H1:r≠0**)** was accepted indicating involvement as significant predictor of employee performance.

Hypotheses 2: Consistency has a positive and significant effect on performance of employees.

Null Hypothesis: **H_o: r = 0**

Alternative Hypothesis: **H_1: r ≠ 0**

Table 4.6.4.2 Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.685a	.470	.467	.39089
a. Predictors: (Constant), Consistency				

Source: *Own survey, 2025*

The effect of consistency trait of organizational culture on employee performance was tested by simple linear regression resulting in an R value of .66 that showed a strong positive elation. Moreover, 47% of employee performance was explained by consistency with coefficient of determination R^2 = .47. The finding indicated consistency as significant predictor of employee performance with a standardized beta value of .259. With all the model results indicated above, the rejection of the null hypotheses was supported and the alternative hypothesis (H1) was accepted.

Hypothesis 3. Adaptability has a positive and significant effect on the performance of employees

Null Hypothesis: **H_0: r = 0**

Alternative Hypothesis: **H_1: r ≠ 0**

Table 4.6.4.3. Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665a	.442	.440	.40084
a. Predictors: (Constant), Adaptability				

Source: *Own survey, 2025*

A simple linear regression was performed to examine the influence of Adaptability on Employee Performance. The model summary revealed an R value of .665, suggesting a strong positive association. The coefficient of determination (R^2) was .442, indicating that Adaptability accounts for 44.2% of the variance in Employee Performance. The Adjusted R^2 of .440 confirms the model's robustness, with a standard error of the estimate reported at .401. Adaptability with (ß= .158, p = .011) was also observed as a significant contributor in the prediction of employee performance. The null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted.

Hypothesis 4. Mission trait has a positive and significant effect on performance of employees

Null Hypothesis: $\mathbf{H_0: r = 0}$

Alternative Hypothesis: $\mathbf{H_1: r \neq 0}$

Table 4.6.4.4. Model summary for the effect of Mission on Employee Performance

Model Summary				
R	R Square	Adjusted R Square	Std. Error of the Estimate	R
.697a	.486	.484	.38467	.697a
a. Predictors: (Constant), Mission				

Source: *Own survey, 2025*

The results of the regression indicated that the model explained a significant proportion of the variance in the outcome. The coefficient of determination (R^2) was .486, suggesting that 48.6% of the variance in Employee Performance is accounted for by Mission. The correlation coefficient (R = .697) indicates a strong positive association between the two variables, with a standard error of the estimate reported at .385. Mission appears as the strong predictor of performance of employees (ß= .283, p < .001). The null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted.

4.6.5 Chapter Summary

Table 4.6.5 Summary of test hypotheses

S.N.	**Hypotheses**	**Statistical Significance**	**Test Result**	**Decision**
1	Involvement has a positive and significant effect on Employee Performance.	.001	Significant	Accepted
2	Consistency has a positive and significant effect on Employee Performance	.000	Significant	Accepted

3	Adaptability has a positive and significant effect on Employee Performance	.011	Significant	Accepted
4	Mission has an effect that is positive and significant on the performance of employee	.000	Significant	Accepted

Source: Own survey, 2025

4.7 Qualitative Analysis

The dimensions considered for organizational culture were expressed as the cornerstones of the positive working environment at the ministry of revenues ensured by the management members' interview. The committed teamwork and the approach that is customer Center, substantiated by the experienced employee established the culture at the ministry of revenues as per the response of the interviewee. Most of the study participants serving as managerial and mid managerial level reported that the culture in their organization can be best revealed by the core values of the ministry; customer centric approach, professionalism, team work, commitment and loyalty to the organization. They also added that the organization is reforming itself in such a way that fair and efficient tax and customs administration is possible.

In light of the interview question 'How do you explain the influence of organizational culture on employee performance in the ministry of revenues?', the respondents expressed their views as a strong and constructive culture which is based the core values establishes simplicity on presumptions, improve sense of acceptance and promotes the involvement of employees. In their summary, they said that supportive culture favours the overall organizational performance. Moreover , as per the interview respondents, a clear and motivating mission as ours 'building a modern tax administration by 2030 to cover national expenditure through tax revenues' , clearly gives motive which increase the engagement of employee even in undesirable situations.

Based on the employees interviewed the performance at the ministry of revenues is explained as more than average which is mainly fuelled by current digital transformation. Nowadays, strong commitment in tasks of collection of revenues and educating tax payers is sometimes held back by some resource and contextual restraints. They suggested that the management should focus on making sure everyone has the encouragement required to prosper. As pr the response of the interviewee, they underlined an integrated plan guides both cultural fit and performance enhancement. Their feedback also suggested that impartial merit rating and reward initiatives happen to be vital in improving commitment and effectiveness.

The responses from the interview augmented the SPSS analytic finding indicating that organizational culture is vital in ensuring effectiveness and efficiency. The 63% explanation of variance in employee performance supported this view. Regardless of the highly rated employee performance the data showed task devotion among individuals and collective effectiveness have shown contain disparity, which make improvement of harmonized team performance vital. Delegation of authority for the purpose of employee empowerment; strategic objective refining will be expected from the higher management to make them achievable and realistic.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

This chapter outlines conclusions derived and the recommendations proposed based on the findings of the research study. Additionally, it suggests future research avenues arising from the limitations identified in the study.

5.1 Summary of the study

The main purpose of the current study was to assess the effect of organizational culture dimension on the performance of employees in the ministry of revenues. The objective described in the previous chapters mainly searching the effect of involvement, consistency, adaptability and mission on the performance of employees were the guides for the continuation of the assessment. Survey instrument that was self-administered and semi structured interview were used to get the best information out of 235 study participants I the study area. A five point likert scale instrument was used to assess the level of agreement of the study participants for the items provided in the survey.

5.2 Key findings

The major findings from the statistical analysis of the survey responses pertaining to the major objectives of the study are summarised as follows;

Mission items were averaged and revealed to be major predictors of performance with (ß=.283, t= 4.7, p< .001). A strong positive relation was also observed as it explains the major proportion of variance in employee performance with R^2 of .486.

Consistency accounted for 47% of the total variance in performance of employees with an R^2 of.47 that showed a strong positive relationship(R=.69).

Involvement was also a significant predictor with R^2 of .488 explaining the 48.8% of variance in performance of employees, and lastly adaptability was revealed having a statistically

significant effect on performance of employees (p=.011) and its strong association was sees with R=.665.

Considering all the dimensions of organizational culture, they all showed a positive statistically significant effect on the performance of employees.

5.3. Conclusion

Based on the findings of this study, the following conclusions were made;

In line with the stated objectives, mission has the lion's share of positive impact on employee performance. Having perception of clear direction and purpose has effect in a significant improvement of performance. Systems that are predictable and established values create a best scenario for enhancement as it is revealed under the consistency trait.

The study findings revealed having a well-built human capability and sense of ownership is vital for the performance of employees. In conclusion, the study winds up that how employee's ability to fulfil their duties is largely determined by adaptability, the ability to respond to outside pressures and innovative encouragement.

The descriptive analysis of the survey data showed that the ministry of revenues have already established positive culture in the organization. Customer centric approach, team work and the clear values were reported by a significant proportion of the study participants. Moreover, existence of highly educated and experienced employees was revealed by the study explaining the performance of activities relies on experienced and relatively stable employees.

A strong and positive correlation was seen among organizational culture and employee performance based on the inferential statistical output. Pearson correlation analysis among the four dimensions of organizational culture and employee performance revealed a favourable and substantial relation. Particularly, nearly 63% explanation of the variance of performance of employees showed a strong statistical correlation among them.

Regardless of their contribution in predicting employee performance, the regression analysis showed no equal scores. The performance of employees was found to be predicted most by mission trait followed by consistency, involvement and adaptability respectively. To conclude, clear understanding of the organizationl strategies results in having clear rules and goals that enhance the overall employee performance.

Beyond all the observed positive findings for the study, there were areas which necessitate proper and more focus. The perception of employee that the mission of MoR as unrealistic needs making them clearer. The low score from delegation of authority under involvement trait highlights the need of decentralization concept. And finally, the lowest score under performance, particularly working in teams for accomplishment of common goals showed less harmony between team and individual effort.

In conclusion, the proposed theory, that performance of employees in the study area, to be highly affected by the culture of the organization was supported by the findings. According to the data analysed, organizational culture that gives priority to involvement, clear mission and consistent value determines the improved performance in the organization.

5.4. Recommendations

The following suggestions should be implemented by the management at ministry of revenues to enhance performance of employees and better establish organizational culture in line with the results and conclusion put previously.

1. Boost Alignment of Strategic Mission and Goals:

The finding indicates the mission trait as the best predictor of employee performance, necessitates a clear communication of the strategic directions of the organization giving a priority. In addition, the ambitious nature of the objectives should be complemented with realistic and achievability by giving a clear focus in ensuring it. The management should also

try to amend the disparities between the goals and tools as to ensure the employee are motivated.

2. Strengthen Delegation and Autonomy (Involvement):

Delegation of authority should be practiced by decentralizing it to improve the involvement of employees. The relatively low score on the items regarding authority delegation clearly illustrated the need for authority regardless of the teamwork perception. Employees will be empowered to make decisions at their level by putting in place a more comprehensive delegation framework, which could boost individual accountability and job satisfaction.

3. Strengthen Core Values and Conflict Resolution (Consistency):

The Ministry should continue to uphold its strong goal alignment and core value enforcement since consistency was the second biggest predictor. However, the company should implement training programs cantered on negotiation and conflict resolution to address the lower ranking on "win-win solutions" during disagreements. This will guarantee that interpersonal harmony rather than strict conformity to regulations maintains stability.

4. Encourage Flexibility and Customer Focus (Adaptability):

Adaptability is still statistically significant even if it was the weakest relative predictor. The Ministry should promote a more adaptable approach to work procedures and enhance staff members' comprehension of client needs in order to improve this area. Flexibility and creativity can be increased by forming cross-functional teams or moving staff members between departments.

5. Enhance Team Synergy and Collaboration:

Employees gave "effective collaboration with team members" the lowest performance rating, despite giving individual task devotion high ranking.

The Ministry ought to implement cooperative incentives and teambuilding programs that honour collective accomplishments rather than just individual results. This will enable excellent individual work ethic to be translated into better group performance.

6. Ongoing Monitoring and Feedback:

The Ministry should conduct frequent organizational culture audits since culture accounts for 63.4% of performance variance. Management will be able to monitor changes in cultural views and take proactive measures to rectify problems before they have a detrimental effect on performance by using tools like this one.

7. Foster Greater Involvement:

To capitalize on the 48.8% variance explained by involvement, management should further delegate authority and invest in employee skills to create a deeper sense of ownership.

5.5 Suggestion for Further Research

- This study focused exclusively on the head office. To broaden the understanding of the ministry's organizational culture, future research should include its various regional and Addis Ababa branches.
- Organizational culture affect institutions in a various ways, from aggregate organizational performance to financial performance, employee satisfaction, leadership style, person-job fit, managing organizational change, customer satisfaction and organizational strategy. In order to broaden the concept of organizational culture and understanding of organizational culture in the revenue sector I recommend further research on the effects of organizational culture on the above subsets.

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Appendix-I: Questionnaire

Addis Ababa University

College of Business and Economics

Department of Management

This questioner is designed by the final year MSc. in Management student of Addis Ababa University for the partial fulfillment MSc thesis under the title of "The Effects of Organizational Culture on Employee Performance in the Case of Ministry of Revenues".

The information provided by you will be held strictly confidential and is used for academic purposes only. And you will not be held responsible for anything arising thereof. You are hereby are kindly requested to duly fill up and return the questionnaire promptly. Thank you in advance for your utmost participation for the successful completion of the study. For further inquiry, I will be available with the following address:

- Name- Yordanos Dinku
- Phone- 0922827785
- Email- yordanosdinku@gmail.com

➢ **Instruction**

- No need to write your name;
- Please put a (√) mark for your response ;
- Duly fill and return the questionnaire promptly

PART I: – DEMOGRAPHIC INFORMATION

DIRECTIONS: please select the option that best describes you by putting mark [√] only in the box.

SECTION I: PERSONAL INFORMATION

1. Sex A. Male □ B. Female □

2. Age A.18-30 years □ B.31-40 years □ C.41-50 years □ D. above 50 years □

3. Marital status A. Single □ B. married □ C. Separated □ D. Divorced □ E. Widowed □

4. What is your educational background? A. Diploma □ B. Degree □ C. Master □

Others please state_____

5. How long have you been working in the **Ministry of Revenues**?

A. Less than 3 years' □ B. Between 4 and 5 □ C. More than 5 year's □

SECTION II: Organizational Culture Related Questions

The following statements are designed to measure the organizational culture of MoR. Please indicate your level of agreement with each statement using a five point likert's scale, where: 1 = Strongly Disagree (SD) 2 = Disagree (D) 3 = Neutral (N) 4 = Agree (A) 5 = Strongly Agree (SA)

S/No	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
	1**. INVOLVEMENT**					
I1	Decisions are usually made at the level where the best information is available.					
I2	I believe that I have a positive impact.					
I3	Information is widely shared so that everyone can get the information he or she uses when it's needed.					
I4	People work like they are part of team.					
I5	Team work is used to get work done rather than hierarchy.					
I6	Authority is delegated so that people can act on their own.					
I7	There is continuous investment in the skills of employees.					
I8	The capabilities of people are viewed as an important source of organisational success.					
	2. CONSISTENCY					
C1	There is clear and consistent set of values that governs the way we do work.					
C2	When people ignore our core values, they are held accountable.					
C3	There is an ethical code that guides our					

S/No	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
	behaviour and tells us right from wrong.					
C4	There is clearly defined culture.					
C5	When disagreements occur we work to achieve win win solutions.					
C6	Our approach to do work is very consistent and predictable.					
C7	There is a good alignment of goals across levels.					
	3. ADAPTABILITY					
A1	New and improved ways to do work are continually adopted.					
A2	The way things are done is very flexible and easy to change.					
A3	All members have a deep understanding of customer wants and needs.					
A4	Direct contact with customer is encouraged by our people.					
A5	Innovation and risk taking are encouraged and rewarded.					
A6	Everyone is informed about what is going on across the organization.					
A7	Learning is an important objective in our day to day work.					
	4. MISSION					
M1	There is a clear mission that gives meaning and direction to my work.					
M2	We continuously track our progress against our stated goals.					

S/No	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
M3	The goals of MoR are ambitious but realistic.					
M4	There is a widespread agreement about goals.					
M5	Our mission creates excitement and motivation for our employees.					
M6	We have a shared vision of what the organisation will be like in the future.					

SECTION III: Employee Performance Measurement Related Questions

The following statements are prepared to measure **employee performance**. Please indicate your level of agreement with each statement using a five point likert's scale, where:

1 = Strongly Disagree (SD) 2 = Disagree (D) 3 = Neutral (N) 4 = Agree (A) 5 = Strongly Agree (SA)

S/No	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
EP1	I effectively collaborate with my team members to achieve shared gaols.					
EP2	I follow through on my commitments and take ownership of my tasks.					
EP3	I maintain a consistent quality of work even during high volume or high pressure periods.					
EP4	I maintain a positive attitude when adjusting to a new procedures, systems or responsibilities.					
EP5	The company's core values guide my decision making process in my day to day tasks.					

S/No	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
EP6	I contribute new ideas and innovative solutions to solve problems.					
EP7	I actively look for opportunities that come with change.					
EP8	I am working to achieve my organisation's goals.					
EP9	I am giving my best to serve my organisation.					

Appendix II: Interview

The following questions will be provided for selected management position employees in Ministry of Revenues.

1. How do you express the organizational culture in MoR?

2. How do you explain the influence of organizational culture on employee performance in the organization?

3. Based on the organization experience, among involvement, consistency, adaptability and mission which cultural traits has the most influence on employee performance?

4. How do you rate the Employee performance within the organization?

5. What actions are taken to shape existing organizational culture and improve employee performance?