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**Organizational Culture and Its Effect on Organizational Performance of  
Ethiopian Civil Service University: The Mediating Role of Employee's  
Organizational Commitment**



**A Thesis Submitted to School of Graduate Studies of Addis Ababa University  
for Partial Fulfillment of the Requirements of the Degree of Master in Public  
Management and Policy**

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Addis Ababa, Ethiopia**

## **Declaration**

I, the undersigned, declare that this study entitled “Organizational Culture and Its Effect on Organizational Performance in Ethiopian Civil Service University: The Mediating Role of Employees Organizational Commitment” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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**DDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

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## *Abstract*

*The purpose of the study is to examine organizational culture and its effects on organizational performance of Ethiopian Civil Service University/ECSU/ with the mediating role of employees' organizational commitment. Out of 507 employees of ECSU, 108 academic and 111 administrative staff selected using Kothari's (2004) sample determination formula. To gather relevant data survey questionnaire with a five Likert scale was used. The study used descriptive statistics and explanatory design to analyze the collected data. Furthermore, the effect of organizational culture on employee commitment and organizational performance tested with structural equation modeling. The findings of the study portrayed that ECSU employees perceive that organizational culture, employees' organizational commitment, and organizational performance practices of the university were low. The result of the hypothesis testing in structural equation modeling portrayed the effect of organizational culture, and employee commitments individually and jointly had a positive and statistically significant impact on organizational performance. The mediating role of employees' organizational commitment was positive and statistically significant on the relationship between organizational culture and organizational performance. The indirect effect of organizational culture through the employee organizational commitment was significantly higher than the direct one. 61.8 percent of the organizational performance of the university was explained by organization culture and employee commitment jointly. From the finding, it is promising to conclude that the organization culture, employee commitment, and organizational performance of ECSU were rated low by the respondents. It is also possible to recommend that if the university wants to boost its performance, it is significantly necessary to work on both organizational culture and employees' organizational commitment*

***Keywords: Organizational Culture, Employees Commitments and Organizational Performance***

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## Chapter One

### 1.1 Background of the Study

The dynamism that challenges the global system creates an impact on both public and private organizations around the world. The ability of an organization to develop and maintain a competitive organizational culture can only survive in this world market. One of the factors that delineate high performer organizations from the lower is due to differences in the culture of the organization (Peters & Waterman: 1999). Strong organizational culture is not adopted or constructed within a short period, but it is established and progressed throughout a time when employees interact in various activities of the organization. The role of top-level management is crucial to maintain a consistent organizational culture. They should have a commitment and accountable for their deeds in their respective organizations.

Organizational culture is the artifacts, values and underlying assumptions organizations have to embed people to work together to achieve the mission of an organization (Schein: 1991). It is a system of shared values, beliefs, and assumptions employee has. According to Nicklas & Janz (2010), organizational culture is divided into three levels. The values at the strategic level include mission and objectives. The second level of culture of the organization is the believes and norms of employees at a tactical level. The third level includes organizational life aspects at an operational level.

Researchers like Fakhar, Iqbal, and Gulzar (2013) described an organizational culture in terms of employee involvement, communication, innovation, customer service orientation, and reward system of the organization. On the other hand, Wahjudi.et.al (2016) classified organizational culture as individualism, uncertainty avoidance, power distance, masculinity, and long-term orientation of the organization. Furthermore, Chilla& et.al (2014) examines organizational culture as an organization control system, organizational structure, organizational power, symbols, rituals, and routine, stories, and myth.

Denison & Mishra (1995) also examine organizational culture as the cultural traits of employee involvement, consistency, adaptability, and mission of organizations to achieve their goals. The different ways of investigating organizational culture from a different angle might indicate that the issue is still a fertile ground for further research. The investigations of the impacts of organizational culture on organizational performance are scrutinized in developed nations

compared to developing countries. In developing countries, organizational culture is often overlooked, even if the issue is a foundation stone to carry out the strategy to attain the mission of the organization (Indiya& et.al, 2018).

Good culture held by the workforce of the organization can improve organizational performance. Concerning this, Indiya (2018) showed that organizational culture is a strong determinant of organizational performance. The most important cultural elements that affect organizational performance are organizational values (Indiya, 2018).

Organizational commitment employee is used as a mediator, not as a moderator variable in this study. Mediation variables have a strong relationship between the predictor and the dependent variable; on the other hand, moderator variables have a weak relationship between those mentioned variables (Baron & Kenny, 1986). Here, the relationship between organizational culture and organizational performance is strong (Nikpour, 2017).

The researcher examined the relationship between organizational culture and organizational performance through the mediating effect of employee commitment. And found out that the culture of the organization has a direct and indirect impact on organizational performance.

The indirect effect of organizational culture through the organizational commitment of employees was significantly higher than the direct one.

The finding of Haijama (2018) conducted in Ethiopian Abattoir enterprises showed that organizational culture has a positive effect and has a significant relationship with the performance of employees. The study indicated that clan, adhocracy, market, and bureaucratic culture had a significant impact on employee performance. The dominant culture practiced in the enterprises was a market culture

Various organizations in Ethiopia context tried to focus on financial and non-financial reward systems to motivate employees to get high organizational performance. However, such organizations provide less attention to an organizational culture that can play a significant role in enhancing performance. In line with this, Kandula (2006) explained that the critical factor that helps organizations to achieve high performance is a strong working culture. The author further depicted that due to differences in organizational culture, organizations with similar strategies and locations with the same industry do not have similar achievements.

Ethiopian Civil Service University is one of the Federal Government organizations stationed in Addis Ababa that provides teaching & learning, research and community services, training, and consultancy services to capacitate public organization employees. The management system of the university is fragile and lacks consistency, as the student researcher perceived. The organization culture is not consistent and well established to encourage workers to enhance organizational performance.

As a student researcher, the issue creates an eagerness to find out the effect of organizational culture on organization performance through the mediating impact on organizational commitment of employees. The university, organization culture, and its impact on its performance were not investigated by researchers previously. The nature of organizational culture different from the organization to the organization since it is necessary to assess and examine the organizational culture to forward a recommendation for the betterment of its performance.

The university tried to assess its performance through employee evaluation surveys and external customer satisfaction surveys in the country. However, the effect of the day-to-day working culture practices of Ethiopian Civil Service University seems ignored that the student researcher is supposed to investigate. As a result, this research attempted to examine the effect of organizational culture that exists on organizational performance through the mediating role of employee organizational commitment.

## **1.2 Statement of the Problem**

Organizations in the contemporary world are under pressure of extensive competition in the business world, whether it is public or private. These challenges need to create an organizational culture that is supportive of the mission of the organization. The working culture of the organization should also serve as a competitive advantage for the firms by economies of scale and innovation (Pfeffer, 1994).

Organizational culture is a significant issue that enhances organizational performance through cohesion of employees, development of trust, and aligning strategies of organization with objectives. Poor organizational performance may not be as a result of poor recruitment strategies and selection processes, lack of employee motivating strategies, poor management, and leadership or any other employee well-being initiatives, but the failure of organizational

management to understand the effect organizational culture on organizational performance (Omukaga, 2016).

Ethiopian Civil Service University was established in 1996 to enhance the capabilities of civil service employees through teaching, research, training, and consultancy. Now a day the university provides such services for both governmental and private organizations. However, the university has confronted problems in executing the mentioned services. In this regard, Demis (2017) that conducted on Assessment of the Implementation of Performance Appraisal System in Ethiopian Civil Service University. The finding of the study showed that performance appraisal results were used to provide information about administrative decisions.

The mentioned study portrayed that there are various problems such as subjectivity of the performance evaluation criteria, biasedness of the appraisers, and limited commitment to provide feedback in the university. We can understand from such an explanation is that the level of employee participation in assessing the performance of the workers is minimal. The issue has a direct implication and manifestation of organizational culture problems in the university. In line with this, Delison (1990) explained that one of the main pillars of the culture of the organization is employee involvement. Employees should involve in their organization affairs for the betterment of organization performance.

Furthermore, research conducted by Dejene (2011) on Practices and Prospects of Knowledge Management in a knowledge-intensive organization the case of Ethiopian Civil Service University and Ethiopian Management Institutes. The finding of the study depicted that Ethiopian Civil Service University had problems related to culture, leadership, capacity development, absence of motivational tools, employee attitudinal problems, and inconsistency of knowledge management activities.

There is limited research conducted on organizational culture in Ethiopia. Furthermore, there is no research conducted on the mediating role of employee organizational commitment in the relationship between organizational culture and organizational performance in Ethiopia in general and Ethiopian Civil Service University (ECSU) in particular. Specifically, the effects of organizational culture such as mission and strategies, adaptation to change, and consistency of purposes and employee involvement towards ECSU organizational performance have not been

explored. This gap should be examined to fetch organizational learning and for consistent innovation to serve a customer at the required and expected level.

Hence, the issue of organizational culture and its effect on organizational performance via the mediating role of employee organizational commitment is not examined in the Ethiopian context in particular. Furthermore, the culture of an organization differs across organizations. This situation created a fertile ground for research to investigate the issues. Therefore, the following hypotheses of the study were developed to achieve the objectives.

H<sub>1</sub>: Organizational culture of Ethiopian Civil Service University has a positive and significant effect on the organizational performance of the university.

H<sub>2</sub>: Employee's organizational commitment to Ethiopian Civil Service University has a positive and significant effect on the organizational performance of the university.

H<sub>3</sub>: Organizational culture of ECSU has a positive and significant effect on Organizational employees' commitment to Ethiopian Civil Service University

H<sub>4</sub>: Organizational employees commitment mediate the relationship between organizational culture and performance of Ethiopian Civil Service University

### **1.3. General Objective of the Study**

The general objective of the study is to examine the mediating effect of Employee's Organizational Commitment on the Relationship between Organizational Culture and Performance in Ethiopian Civil Service University.

#### **1.3.1 Specific Objectives of the Study**

The specific objectives of the study include:

- ❖ To investigate the effect of organizational culture on organizational performance of ECSU.
- ❖ To examine the effect of employee's organizational commitments on organizational performance of ECSU.
- ❖ To examine the effect of organizational culture on employee's organizational commitments of ECSU.
- ❖ To predict the mediating effect of employee's organizational commitment on organizational culture and organizational performance of ECSU.

#### **1.4 Scope of the Study**

The scope is the depth and coverage of the study. Geographically, the study focused on Ethiopian Civil Service University in Addis Ababa. It was also thematically concentrated on organizational culture and its effect on organizational performance with the mediating role of employees' organizational commitment in Ethiopian Civil Service University. The target population is both the academic and administrative staff of the university. Methodologically, the study focused on a quantitative approach in which data were collected cross-sectionally from respondents.

#### **1.5 Significance of the Study**

The study of organizational culture and its effect on organizational performance with the mediating role of employee's organizational commitments are considered to be the means to improve the performance of Ethiopian Civil Service University. The study can serve the target organization to assess the existing capacity gaps concerning organizational culture, employees' organizational commitments, and organizational performance practices. Besides, the study organization and other similar engaged organizations can be benefited from a study by understanding the relationships and effects of organizational culture on organizational performance through employees' commitment. The findings can also be used as an input to advance similar plans and strategies in improving university performance.

The study also expected to provide an insight to decision-makers and stakeholders in identifying the major weakness that affects organizational performance and suggest some solutions to tackle the aforementioned difficulties. Furthermore, as to the knowledge of the researcher, the research is the first of its kind in the Ethiopian context. Hence, the research outputs will serve as reference material for future related research. The finding of the research will also be used as a foundation on which additional local research can be conducted related to the thematic area. Lastly, it can be used as a springboard for other concerned researchers to make advanced examination in the research area

#### **1.6. Limitation of the Study**

This research was limited to Ethiopian Civil Service University employees whereas, there are many other stakeholders such students, employers, government, and other bodies that can have their views on the university organizational culture, employees' commitment, and performance.

The other limitation of the study was that there is limited research conducted on the relationship between organizational culture and performance with the mediating role of organizational commitment, particularly in developing nations. Therefore, the researcher used the limited available resources to develop the conceptual framework of the study.

The study is also limited to Ethiopian Civil Service University and hence may not entirely represent the different cultures in various organizations. Future researchers could widen the scope of this study by including employees from other industries and perform comparisons across various industries. The study was also focused on the quantitative approach, with limited open-ended and interview questions therefore; the results provided more on numerical descriptions rather than qualitative aspects of human perception.

### **1.7 Operational Definition of Terms**

The following terms and phrases are operationalized for their use in this study.

**Organizational Culture** is a management tool that enables internalization of the desired organizational norms and values; promoting loyalty, enthusiasm, diligence, and devotion to the achievement of desired organizational goals (Cameron & Quinn, 2006).

**Organizational performance** is defined as how well the organization is managed and the value that an organization provides to the customers (Moullin, 2003).

**Employees' organizational commitment** is a psychological condition that characterizes the employees' affiliation with the organization which implies the employees' decision to continue in the organization (Meyer & Allen, 1997)

### **1.8 Organization of the Study**

This study comprises five chapters. The first chapter focuses on the background of the study, statement of the problem, research questions, the objective of the study, the significance of the study, the scope, Operational definition, limitation, and organization of the thesis. The second chapter reviewed the literature part, and the third chapter dealt with the research methodology. Chapter four of the document deals with results and discussion. Finally, chapter five described a summary of the main findings, conclusions, and recommendations.

## Chapter Two

### 2. Review of Related Literature

#### 2.1 Introduction

This part of the study tries to investigate the theoretical and empirical studies of relevant studies. The first part focuses on the theoretical examination of organizational culture concepts, theories, and models. While the second part emphasizes reviewing research conducted on organizational culture and its effect on organizational performance in various contexts and methodologies.

#### 2.2 Theoretical Review Literature

The theoretical review of related literature of the study is focusing on the major issues of organizational culture, organizational employees' commitments and organizational performance. First overview of organizational culture, importance and characteristics of organizational culture and models of organizational culture discussed.

##### 2.2.1 Overview of Organizational Culture

Organizational culture refers to a system of shared assumptions, values, and beliefs that demonstrate people what is appropriate and inappropriate behavior (Slocum, 2005). Culture is the characteristics and knowledge of a particular group of people, encompassing language, religion, cuisine, social habits, music, and arts. Schein (1999) defines culture as a pattern of shared basic assumptions that the group learned as it is helpful to solve problems of external adaptation and internal integration. There is no single organizational culture. Culture differs from organization to organization and from country to country. There might be similarities and differences but it is difficult to get perfect similarities and differences.

These values people hold in the organization have a strong impact on their behavior and performance. The term organizational culture was popular in the 1980s but still a relatively new and fast-growing concept in the area of management. Organizational culture affects all employee behaviors, thinking, and behavioral patterns. Employees are more aware of their organization's culture when they have the opportunity to compare it to other organizations.

An organization's culture may be one of the strongest assets for any organization. Firms should have an organizational culture that fits with their demands and environment. For instance, if an

organization working as a high tech industry and its organizational culture encourages innovativeness and adaptability, then the culture has positive and supportive to increase its performance. On the other hand, the same industry may have organizational culture characterized by stability and sticking to traditional rules and procedures, the organization may suffer because of its culture. Having the right culture, in the organization create a competitive advantage whereas the wrong culture creates performance difficulties and may be responsible for organizational failure.

Organizational culture has also an effective control mechanism that can dictate employee behavior. It is a more powerful tool that manages and controls employee behaviors than organizational rules and regulations. Organizational culture consists of both visible and invisible aspects. Generally, according to Schein (1993), organizational culture can be demonstrated into three interrelated levels. At the deepest level, there are basic assumptions. It is a belief about human nature and reality.

In the second level, we can get values. It is the shared principles, standards, and goals of the organization. In the third level, which is found at the surface, we get artifacts. It is visible and tangible aspects of organizational culture such as dressing style, physical environment, employees' interaction, and organizational policies in the organization.

To understand organizational culture, we may start by observing its artifacts. Observing the physical environment, how people dress, where they relax, and how they talk to others is certainly a good start to comprehend culture. Furthermore, it is necessary to examine the values and assumptions to have a clear picture of organizational culture. The values and the assumptions that shape the organization's culture can be uncovered by understanding beliefs and perceptions regarding what is right and appropriate behavior to the organization employees (Schein, 1999).

### **2.2.2 Organizational Culture Models**

There are various models of organizational culture developed by different scholars in the field. Some of them are Edgar Schein's, Robert A Cooke's, Hofstede's, Denison's, and Kim Cameron and Robert Quinn's model.

### **A). Edgar Schein's Model**

Edgar Schein developed a model of organizational culture based on levels of organizational culture. According to him, this includes artifacts, values, and assumptions (Schein: 2016). Schein elaborated artifacts as the first level of an organizational culture characterized by easily viewed, felt, and heard by individuals in the organization. This type of organizational culture is predominantly tangible and portrayed by specific cultural predispositions such as dress code, furniture, and other facilities in the organization.

Generally, Schein elaborated that the artifacts of organizational culture include the physical environment of the organization, employee communications, organization policies and procedures, rules and regulations, reward systems, and other tangible entities. The second level of organizational culture according to Schein is the values of the organization held by employees. This is the thought process and attitude of employees who have deep influences on organizational behavior and culture.

The understanding of employees and their predispositions can have a significant impact on organizational culture and in turn affect workplace performance. The values of an organization can shape the organization's culture which can be uncovered by observing how employees interact and the preferences they make and following on what is right and acceptable behavior in the organization.

The third level of organizational culture is assumed values. Such values are not measured. These are beliefs and facts held by the employees but they are hidden. The hidden and unconscious aspects of human nature can be categorized under this level. Various organizations practiced such assumed values in different ways. The practices are not discussed but understood by organizational members.

### **B). Robert a Cooke's Model**

Robert Cooke illustrated organizational culture by classifying into three categories (Cooke 1989). This includes constructive, passive, and aggressive cultures. Constructive Culture is an organizational culture that facilitates good interaction among employees for the betterment of organizational and personal goal achievements. In this type of organizational culture, employees have the freedom to share ideas freely and to come up with innovative solutions that can benefit all in the organizations.

Employees are active participants in decision making regarding the issues of their organization. Conflicts in the organization can be solved with discussion based on reasons and logic. The constructive organizational culture has the advantages of better achievements of organizational goals through encouraging individual employees. Furthermore, it helps individuals to boost their potential for the benefits of organization and self. Furthermore, the employees avoid conflicts and unnecessary disputes and promote a positive relationship among employees in the workplace (Cooke 1989).

The second category of organizational culture according to Cooke's is Passive Culture. In this type, employees are not free to share their ideas transparently with their counterparts and supervisors. The employees' motives are curtailed to please the superiors to secure the current position and if it is possible to have a better career in the organization. This type of culture is more common in less-developed nations such as Ethiopia.

In such a culture, employees are unhappily to follow policies and guidelines in the organization. Employees are expected to get approval from their supervisors before they are implementing any ideas regarding their work. Furthermore, they are bounded by procedures, rules, and regulations and standard only designed by the organization. Besides, employees are highly dependent on supervisors to make any decision even regarding their day to day work. They also expected to follow the orders of supervisors blindly. They avoid their interest and simply follow and act according to organization policies.

The third type of organizational culture according to Cooke is Aggressive Culture. Any organization which follows such a culture is promoting competition among employees. Employees expected to compete for power, better results, and to get appreciation from the organization. The performance of employees is evaluated against the performance of the colleagues. Employees who seek assistance from fellows are considered incompetent. This type of culture discourages teamwork in the organization.

### **C). Hofstede's Model**

Based on the research conducted, Hofstede (1980) identified six dimensions of national cultures. It includes power distance orientation, Masculinity vs. Femininity, individualism vs. collectivism, Uncertainty Avoidance Index, long term vs. short term orientation, tolerance vs. restrained culture.

### **Power Distance Orientation**

Power distance is the degree to which people in a society accept an unequal distribution of power. It refers to the extent to which a nation accepts the fact that differences in its citizens' physical and intellectual capabilities give rise to inequalities in their well-being. In power distance oriented culture, the leader/manager should be respected and its orders and advice strictly followed. However, in less power distance oriented nations, employees have accountability for their performance. They get equal treatment from the management and have to take ownership of their work.

### **Masculinity vs. Femininity**

Masculinity and femininity can be explained that the differences a society provide on gender values among the section of the society. In organizations where the male workforce is dominating compared to female counterparts will follow different policies as compared to organizations where females dominating companies. It is expected that males are more aggressive as compared to females, whereas, females counterparts are softer and caring compared to males. The responsibilities of both sexes are varied according to their gender values expected from society.

### **Individualism Vs Collectivism**

It is the extent to which an organization integrates a group mentality and promotes a strong sense of community as opposed to independence in the organization. In other words, some organizations strongly rely on teamwork whereas others believe in individual performance for the organizational performance. According to Hofstede, the nations can be generally into two general categories that are western and eastern culture. According to him, the Western is individualistic and the Eastern is more collectivist.

### **Uncertainty Avoidance Index**

These refer to the degree to which the organizational readiness to take a risk. Organizations employees know how to react to the unusual and unexpected state of affairs. It deals with the tolerance level of the employees in both comfortable and uncomfortable situations. Taking risks is one of the key issues in the business environment in this dynamic world. Some organizations are highly sensitive to risk and tried to avoid but others are ready to take a calculated risk. Those who take risks are more innovative whereas those who avoid trying to keep their

organizations statuesque's. The level of uncertainty avoidance index has its implications for the future growth of an organization through innovation.

### **Long Term Orientation vs. Short Term Orientation**

This is the degree in which an organization focuses to gain short or long term gains. Some organizations have a culture to get short term gains whereas; strive to get long term gains. Besides, some organizations tried to establish long term relationships with employees for the benefits of organizations and employees compared to other counterparts.

In such organizations, people have a consistent approach and endeavor their effort to live up to the expectations of the organization's requirements. In such cases, workers are highly attached to the organizations to get their long term objectives with the organizations. Quite the opposite vein, other organizations, and employees have a short-lived relationship with each other. Organizations and employees live together until the organizations maximize profits and employees have got better positions and salaries.

### **Tolerance vs. Restraint**

Tolerance and restraint are connected with spending on resources of an organization to fulfill the needs of employees and organizations. In some organizations, they have a culture of limiting employees' and organizations' needs and preferences to restraint to spend. The restrained culture organizations have strict rules and regulations for tapping company resources.

### **D). Denison's Model**

Denison (1990) developed a well-known and more practical model that showed the relationship between organizational culture and organizational performance. The model explains the four basic characteristics of organizational culture which include involvement, consistency, adaptability, and mission. Denison's model of organizational culture has become one of the most popular models commonly used models for the analysis of organizational culture. The Denison model provides a basic assessment of organizational performance by investigating organizational effectiveness and innovation.

### **Organization Mission**

The mission attributes of the Denison model characterized by the organization's aims and directions. Organizations have the nature of serving stakeholders for a long period. They are future-oriented to advance organization performance strategically. The mission of the organization describes the main working boundaries of an organization with defined objectives

and goals that are specified in terms of future perspectives and a vision. The mission of the organization relatively long term and if there is a change in a mission it may require changes in organizational culture (Denison: 1990).

### **Employees Involvement**

The involvement aspects focused on employees' participation in decision making for the betterment of organizational and individual goal achievement. In this case, employees are empowered and teamwork is valued and priorities are given to capacitate employees. The achievements of goals and objectives in the organization are highly affected by employees' participation in a team and as an individual in the organization. To get the maximum out of employees in the organization there should be a clear system that makes them participate without fear and intimidation. Employees should get the opportunity to air their ideas and contribute to the organization. If it is so employees show commitment and contribute their efforts diligently to make the organization more effective. Finally, the interests of the organization become their interests with the feelings that they own a part of the organization (Denison: 1990).

### **Organization Consistency**

The consistency part of the Delson organizational culture attributes portrayed that the organization expected to have stability and integration to make an organization effective and efficient. An organization should have a clear chain of command and communication to facilitate integration and to make decisions on time. The effectiveness and efficiency of an organization are strongly associated with the consistency of organizational culture. In this type of organization, there is no communication gap between leaders and followers. Employees are well trained and accustomed based on organization mottos and much difference on the major pillar of the organization is not entertained. Ethical dimensions of strong cultures are well defined and a set of core values are well-coordinated and well-integrated.

### **Organization Adaptability**

This is the fourth attribute of organizational culture according to Delson. It is a situation in which an organization flexibly responds to costumers' requirements, takes risks, learns from their own mistakes, and takes measures to entertain changes. This attribute is commonly associated with highly dynamic and customer-oriented organizations that require the implementation of new ideas and change depending on the interests of the stakeholders.

Adaptability is one of the most difficult things to accommodate for those well-integrated organizations. They are un-conformable to get out of their comfort zones. This is because new changes required both internal and external compliance. However, organizations do not have a hole to escape from such changes during their lifetime. They are expected to confront and join new changes to satisfy their stakeholder expectation. It is the responsibility of both leaders and followers to accommodate new changes. These new changes will improve the organization and providing high values to their customers at the end (Denison: 1990).

### **E). Kim Cameron and Robert Quinn Model**

Organizational Culture Assessment Instrument was developed and used to measure organizational effectiveness and success. Cameron and Quinn (1999) identified four culture types which include clan, Adhocracy, Market, and Hierarchy culture.

#### **Clan Culture**

This is more of an internal focus and flexible culture. It is a friendly workplace where leaders act like father figures. 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).

#### **Adhocracy Culture**

This type of culture is an external focus and flexible. It is a dynamic workplace with leaders that encourage innovation in the organization. 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. An organization that is guided by such culture has a long term emphasis on growth and acquiring new resources ((Cameron & Quinn, 1999).

#### **Market Culture**

The market culture is commonly external focus and controlled. 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.

#### **Hierarchy Culture**

This type of culture is more focusing on the internal aspects of the organization and believing in a more controlled system. According to Cameron & Quinn (1999), this culture is a highly

structured and formalized workplace environment in which leaders are like coordinators. In this culture, the major concern is long term stability. It is expected that performance should be achieved with efficiency through the smooth working operation with proper scheduling and cost. To measure organizational culture, we can use various tools. For instance, Cameron and Quinn (1999) used a tool to examine the organizational culture type, strength, and congruence. The organizational culture assessment instrument (OCAI) has six dimensions which include:

1. Dominant characteristics- This dimension used to identify whether an organization is

- ❖ A very personal place like a family,
- ❖ Entrepreneurial and risk-taking,
- ❖ Competitive and achievement-oriented, or
- ❖ Controlled and structured.

2. Leadership style – it deals on

- ❖ Mentoring, facilitating, or nurturing,
- ❖ Entrepreneurial, innovative, or risk-taking,
- ❖ No-nonsense, aggressive, results-oriented, or
- ❖ Coordinating, organizing, efficiency-oriented.

3. Management of employees – which emphasizes

- ❖ Teamwork, consensus, and participation,
- ❖ Individual risk-taking, innovation, freedom, and uniqueness,
- ❖ Competitiveness and achievement, or
- ❖ Security, conformity, predictability.

4. Organizational glue – that keeps the organization together are

- ❖ Loyalty and mutual trust,
- ❖ A commitment to innovation and development,
- ❖ Emphasis on achievement and goal accomplishment, or
- ❖ Formal rules and policies.

5. Strategic emphasis – which emphasizes

- ❖ Human development, high trust, openness,
- ❖ Acquisition of resources and creation of new challenges,
- ❖ Competitiveness and winning, or
- ❖ Permanence and stability.

6. Criteria for success – defined as

- ❖ Development of human resources, teamwork, and concern for people,
- ❖ Offering new and unique products and services,
- ❖ Winning in the marketplace and outpacing the competition, or
- ❖ Being dependable, efficient, and low cost.

### **2.3 Empirical Review Literature**

Addisalem (2019) conducted research entitled with the Effect of Organizational Culture on Organizational Performance in the cases of Bank of Abyssinia. The main objective of the study was to assess the effect of organizational culture on the non-financial organizational performance of the bank. The researcher used Denison's model to investigate the relationship between organizational culture and organizational performance.

The findings of Addisalem depicted that there is a significant relationship between organizational culture and the non-financial organizational performance of Abyssinia Bank. The study concluded that all basic components of organizational culture such as involvement, consistency, mission, and adaptability attributes of organizational culture affect the non-financial organizational performance. The researcher recommended that the management of Bank of Abyssinia should maintain and improve organizational cultures such as employees' involvement, consistency, adaptability, and mission-oriented culture in the organization to improve the non-financial performance of the bank.

Kamau (2019) investigates the relationship between corporate culture and organizational performance: A case of Mayfair casino, Nairobi city county, Kenya. The study focused to examine the effects of values, teamwork, employee involvement, and leadership on organizational performance. These four components formed the independent variables of the study and were used as indicators of the corporate culture. The dependent variables were effectiveness, efficiency, productiveness, and satisfaction which were used as indicators of organizational performance.

The results of the study portrayed that satisfaction, productiveness, and effectiveness are vital to organizational performance. The study concluded that there exists a strong positive correlation between corporate culture and organizational performance. The study recommended that for organizational performance to improve, corporate culture should be supportive and compatible

with intended strategies and day to day activities of employees. In addition to this, Ahmed & Shafiq (2014) conducted on the same issue in the Telecom industry of Pakistan. The result showed that all dimensions of organizational culture affect positively in different perspectives of organizational performance in the Telecom industry of Pakistan.

Hajima (2018) also explored the effects of organizational culture on employee performance at Addis Ababa Abattoirs Enterprise. The researcher used both quantitative and qualitative methods to generate data. Correlation and regression analysis were used to examine the relationship between organizational culture and employee performance.

The findings of Hajima (2018) depicted that there is a significant relationship between organizational culture and employee performance. The study clearly showed that clan, adhocracy, market, and bureaucratic cultures had a significant effect on employee performance. Market culture is the dominant culture found in the enterprise. Finally, the researcher recommends that the organization Abattoir Enterprise of Addis Ababa City Government better to empower and enhance the welfare of the employees to maximize employee performance in the desired direction.

Michael (2018) researched the effect of organizational culture on employees' performance of the GIZ-Ethiopia office. The study adopts explanatory research with a qualitative research approach to find links between the two. Furthermore, the researcher used Denison's (1990) model of organizational culture (involvement, mission, adaptability, and consistency) to assess organizational culture practiced in the company. The finding of the study portrayed that there is a significant positive relationship between organizational culture such as adaptability and involvement of employees in the decision making with employee performance in the organization.

Wambugu (2014) also researched the effects of organization culture on employee's performance with a focus on Wäritsilä Limited, a private company in Kenya. The study used four elements of organizational culture (organization values, organization climate, leadership styles, and work processes) effect on the employee's performance. The results of the study showed that organizational values have a more significant effect on employee's job performance than the organization climate as is mostly assumed as a vice versa relationship. There is also a positive relationship between organizational culture and employee performance.

## **2.4 Organizational Performance**

Organizational performance is an extensively used idea in many areas in many years. It is a measurement of how well an organization achieves its purpose in its lifetime. In other words, organizational performance can be defined as how well the organization is managed and the value that an organization provides to the customers (Moullin: 2003).

Organizational performance can be measured by effectiveness, efficiency, and customer satisfaction (Neely: 1998). Effectiveness is the performance of the organization towards achieving its desired goals and objectives, whereas, efficiency is achieving the best possible results with minimum resources. It is the ratio of outputs to inputs. On the other hand, customers' satisfaction is the ability of an organization to meet customers' expectations.

Generally, organizational performance has measured by using financial and nonfinancial measures from both objective and perceptual sources. Objective measures are used as a secondary source of financial measures such as return on assets, return on investment, and profit growth. These measures are particularly useful for single-industry studies because of the uniformity in measurement across all organizations in the sample (Venkatraman & Ramunujam, 1986).

In the public sector, organizational performance such as financial performance for profitability and return on asset is not a priority. The priority is given on effectiveness, efficiency, and customer satisfaction. Organizations should use public finance to get maximum performance with limited finance as far as possible. To measure the overall performances of organizations, most public sector organizations in Ethiopia used a balanced scorecard. The scorecard was used to investigate both financial and non-financial performance. Let see the details of the scorecard.

### **Balanced Scorecard**

The balanced scorecard was developed by Norton and Kaplan. It is one of the most known performance measures in various organizations now a day. The scorecard tried to measure organization performances in terms of financial, customer, internal process, and growth and learning perspectives (Kaplan and Norton, 1992).

According to Isorait (2008), the balanced scorecard perspectives such as financial measures focus on financial ratios and various cash flow measures. The customer perspective measures the level of internal and external customers' satisfaction. The internal perspective emphasized what business processes the organization used to excel its performances. The internal business

processes focused on mission-oriented and support oriented performance. The learning and growth perspective has also measured the level of employee training and organizational attitudes related to both employee and organizational improvement through, training, innovation, and creativity.

## **2.5 Relationship between organizational culture and organizational performance**

Various researches such as Denison tried to illustrate the relationship between organizational culture and organizational performance. For instance, Denison (1984) collected data from 34 American firms on cultural performance for over five years and investigate the relationship between organizational culture and organizational performance over time.

Furthermore, Kotter and Heskett (1992) investigate the relationship between long-term organizational performance and economic performance across more than 200 organizations. Such studies contributed to the establishment of a relationship between organizational culture and performance. Furthermore, they find out that there are strong associations between culture, management practices, and performance.

According to Saffold (1998), culture can give shape to the organizational processes which again helps to create and modify culture. Secondly, culture likely contributes to performance is significant. In general most of the writers and successful managers and practitioners suggest that strong organizational culture is a very critical element for organizational performance. According to Selvalakshmi & Guru (2017), organizational culture contribution to organizational performance is significant, this is because of organizational culture is extremely fixed with the social control that may cause to make influences on the employee's decisions and their behavior in the organization.

Furthermore, organizational culture works as a social glue to link the employees together. Such a link makes employees feel self-belonged to corporate organizations. Such experience is even useful to attract new staff and retain the best performers in the organization. Finally, organizational culture is very useful to assist the sense-making process, helps the employees to understand the organizational events and objectives, which enhance the efficiency and effectiveness of the employees and then increase the performance of the organizations (Selvalakshmi & Guru, 2017).

## **2.6 Employees Organizational Commitment and Organizational Performance**

Organizational commitment has three major components. According to Allen and Meyer (1990), illustrated as affective, normative, and continuance commitment. Affective commitment is an attitudinal process in which employees want to stay in the organization due to the congruency of individual values and goals with the organization. On the other hand, normative organizational commitment refers to an employee's desire to stay with the organization based on a sense of duty, loyalty, or a moral obligation.

Continuance Organizational Commitment is also described as a need to remain in the organization based on the costs associated with leaving. The costs include individuals gain tenure in an organization they accrue investments in the form of pension plans, seniority, specialized and un-transferable job skills, local affiliations, familial ties, and so on which may be sacrificed or damaged by changing jobs. Individuals may also feel as though they have to remain in their current jobs because they do not have any alternative job prospects. Employees with strong continuance organizational commitment stay because they have to do so.

Generally, employee organizational commitment is the commitment employees have when they are working in the company. Singh and Das (1978) illustrated that the level of employee commitment rose significantly by organizational culture. Boon and Arumugam (2006) generalized that the dimensions of organizational culture such as mission, adaptability, involvement, and consistency of organization help to bring improvement in employees' organizational commitment. Organizational commitment is also an outcome of organizational culture. In return organizational commitment has direct impact on organizational performance (Bonaparte: 2008, Ahmed & et.al:2011). In the same vein, organizational culture is a useful predictor of organizational performance.

Irefin and Mechanic (2014)) confirmed that organizational culture can increase organizational performance. The work and employee-oriented organizational culture can enhance employees' commitments in the organization. Kashefi et al. (2013) also illustrated that organizational commitment has an impact on organizational performance. Furthermore, the findings of the Nikpour (2017) portrayed that organizational culture has a direct and indirect impact on organizational performance. The indirect effect is through an employee's organizational

commitment. When we compare the direct and indirect effect of organizational culture on organizational performance, the indirect impact was significantly higher than the direct impact.

From the above explanation, we can understand that organizational culture has a direct and indirect impact on organizational performance. The direct effect such as employee involvement, consistency of the organizational values, flexibility, or adaptability to changes, and orientation of the organization towards a predesigned mission affects financial and non-financial organizational performance. Furthermore, the indirect effect through employee organizational commitment such as affective, normative and continuance commitment enhances the performance of the organization.

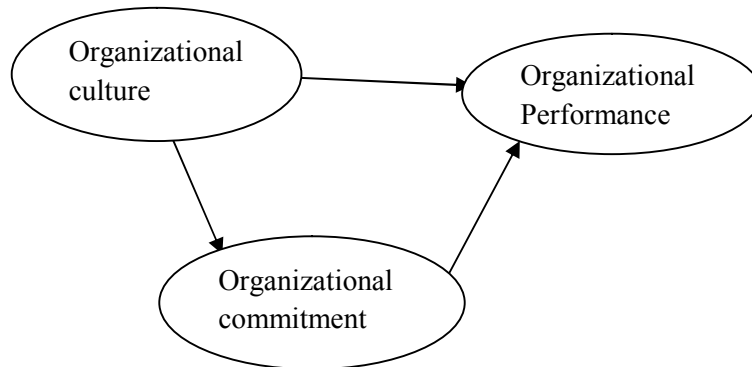
## **2.7 Research gap**

The literature reviewed shows that the breadth and depth of research have been done up to know portrayed the gaps in the research. Accordingly, the research gap found in this thesis is the relationship and effects of organizational culture and employees' organizational commitment on organizational performance in Ethiopia particularly at Ethiopian Civil Service University is not examined. Besides, there is no universal organizational culture that can work to all organizations throughout the world. This is due to a difference in context and other settings; the other gap is researchers used first-generation techniques of data analysis such as multiple regression analysis, exploratory analysis, multidimensional scaling, and logistic regression. This study deployed a second-generation data analysis technique called partial least square structural equation modeling.

## **2.8 Conceptual Framework of the Study**

The theoretical and empirical literature reviews enable us to propose a model that uses to investigate the organizational culture and its effect on organizational performance with the mediating roles of employee's organizational commitment. To measure the aforementioned relationship, the following conceptual framework was used.

**Figure 1 Conceptual Framework of the Study**



**Source: Review of Related Literature**

### **2.9 Specification of the Model**

To scrutinize the effect of organizational culture on organizational performance with mediating role of organizational commitment, the study used conceptual framework illustrated in review literature part of figure one.

The Independent variable of the study is organizational culture. This can be explained by the observed variable of involvement, consistency, adaptability, and mission of the organization. The independent variable can affect both employees' organizational commitment and organizational performance. On the other hand, the mediating variable which is organizational commitment can be explained by the affective, normative, and continuous commitment of employees in the organization affect organizational performance. Finally, organizational performance is a dependent variable that is determined by balanced scorecard measures such as customer, internal process, learning & growth, and financial perspectives performance of the organization.

## **Chapter Three**

### **Research Methodology**

#### **3.1 Introduction**

This study centers on the mediating role of employees' organizational commitment on the relationship between organizational culture and organizational performance. The chapter indicates the way how the research is conducted to answer the basic questions. It covers research design, samples and sampling techniques, instruments of data collection, pilot testing, and research model specification, assumptions of structural equation modeling, data analysis, and ethical considerations of the study.

#### **3.2. Research Design**

Research design is the structure of research that holds all the elements in a research project together. It is a plan of the proposed research work (Akhtar, 2016). It is also the arrangement of conditions for the collection and analysis of data to achieve the research purpose with the economy and acceptable standards. Generally, a research design is a blueprint for the sample selection, data collection methods and procedures, data presentation, and data analysis.

The study was used in both descriptive surveys and explanatory research designs to achieve the purposes of the study. The survey design was used to gather factual information from a relatively large population to make a conclusion from the samples to the population. The survey method is also helpful to assess the current practices in organizations. On the other hand, an explanatory research design was used to examine the relations and their effect on organizational culture, employees' organizational commitment, and organization performance in ECSU.

#### **3.3 Sample and Sampling Techniques**

The target population of the study was employees of Ethiopian Civil Service University stationed at Addis Ababa. The university classified its employees into academic and administrative staff. Academic staffs are those who directly participate in teaching & learning, research & community services, delivering training and consultancy services. There are 300 employees. Among these employees, 250 are in their duties and others are working on their further education in Ethiopia and abroad. On the other hand, those who provide support services in the university are 860 employees.

The support service employees of the university who didn't participate in the core process directly were 603 and intentionally left out of the study. This is because they are temporary workers and don't directly involve in the core process of the organization. These are janitors, waiter/waitress, cooks, receptionists, gardeners, and security guards. Hence, the population of the study was 250 academic and 257 administrative staff of the university. Hence, the total population for the study was 507 employees of the University. To select the sample population, Kothari (2004) sample determination formula for the finite population was used.

$$n = \frac{z^2 pqN}{e^2(N-1) + z^2.p.q}$$

n= sample size

z= the value of standard at a given confidence level

N= total population of the study

p= sample proportion q= 1-p

e = given precision rate or acceptable error

z = 1.96

N= 507

p= 0.5 (conservative value)

e = 0.05

$$n = \frac{z^2 pqN}{e^2(N-1) + z^2.p.q}$$

$$n = \frac{1.96^2 0.5(0.5)507}{0.05^2(507-1) + 1.96^2(0.5)(0.5)}$$

n=219

According to the formula, 219 respondents were selected from the total population. To keep the proportion of respondents from each staff employee stratified sampling technique was employed. Hence, 108 academic staff and 111 administrative staff were selected. To identify

sampled individual respondents from each staff of the university systematic random sampling was used.

### **3.4 Instruments of data collection**

To collect the relevant data questionnaire was used. It has closed and open-ended items. The Likert scale type was used to denote the level agreement and disagreement on the rating scale. A five-point Likert scale type ranging from strongly agrees to strongly disagree was used to collect data. A score of 5 means strongly agree, a score of 4 means agree, a score of 3 means neutral, a score of 2 means disagree, and a score of 1 means strongly disagree.

The questionnaire has four parts. The first part dealt with some background information regarding participants sex, employment category, education level and years of experiences in current organization. The second part was an organizational culture variables. It was categorized as employees involvement, adaptability, consistency and mission of the organization. This part consists of 36 questions. The third part focused on organizational employees' commitment and categorized as affective, normative and continuance commitment and comprised 18 questions. Finally, the last part dealt with the organizational performance explained in terms of customer, internal process, learning and growth, and financial perspective examined with 27 items. Besides, open-ended questions were included at the end of closed ended items.

The instrument for organizational culture, organizational commitment, and organizational performance variables were adopted from Delison & Neale (2011), Meyer & Smith (1993), and Taib & Mohammed (2016) respectively. The data was also collected through a self-administered technique to minimize errors in data collection. Furthermore, an interview guide was prepared for the Ethiopian Civil Service University College Deans and administrator directors. There are three colleges and 24 administrative directorates in the university. All of the deans and 25 % (6) administrative directors were planned to make interview. The data gathered through interview were used to triangulate the results of quantitative data with qualitative ones.

#### **3.4.1 Pilot testing**

To get feedback from respondents and to bring improvement, the draft questionnaire was distributed to non-sample staff. Based on the feedback from both categories (academic and administrative) of the respondents, vague statements were corrected. The validity of data

collection instruments tested through the face validity technique. The questionnaire also delivered to two professionals and took their feedback to improve the coverage and the depth of the instruments.

Furthermore, to use structural equation modeling, construct, discriminant validity, and composite/construct reliability were tested. Validity in structural equation modeling is measured by convergent and discriminant validity. On the other hand, reliability can be verified by the Composite/ construct reliability. Validity and reliability of the model should be significant otherwise, without fulfillment of such criteria the model seems garbage in and garbage out.

Convergent validity shows the variable loadings on the construct. It shows that the variable contribution to the variance of factor is valid to describe the factor accordingly. Factor loadings are the first step to observe convergent validity. The loadings as a rule of thumb should be  $\geq .70$  for every observable variable (Kumar & Upadhaya, 2017). Discriminant validity is the way of checking whether each latent variable is different or not. If the covariance between the two constructs is high ( $\geq .60$ ), the constructs are reflecting similarities. If it is so, it is necessary to go for second-order modeling by combining the constructs which may affect the degree of freedom in the model.

Composite reliability describes the ability of measured variables to present the latent factor. The Cronbach Alpha for reliability is not valid in the SEM. In SEM the unobserved latent factor is predicted by the observed variables, so this is the necessary condition that the variables should be reliable and have high composite reliability ( $\geq .70$ ) (Kumar & Upadhaya, 2017).

### **3.5 Assumptions of Structural Equation Modeling**

Structural equation modeling has its assumptions like that of the regression analysis model. In structural equation modeling, the researcher may use many regression equations together. Hence, the assumptions of regression models are valid for the structural equation models. Hence, the assumptions of linearity, normality, no multicollinearity, or fixed homoscedasticity no autocorrelation. According to Civelek (2018), the following are the basic summary assumptions of the structural equation model.

Linearity is one of the assumptions of structural equation modeling. Structural equation modeling is the amalgamation of factor and regression analysis. Therefore, linearity, which is the most important assumption of regression analysis, also applies to the structural equation

model. In the structural equation model, it is assumed that there are linear relationships among latent variables and between observed and latent variables. It is also required to avoid outliers in the observed variables. The outlier affects the significance of the results negatively. Besides, multiple measurements are required to conduct a structural equation model. There should be at least three or more observed variables to measure each latent variable (Civelek, 2018).

The sample size also has affected the results of structural equation modeling. In the structural equation modeling system, the fit indices are affected by the number of sample size. The minimum sample size to use structural equation modeling is 150 respondents. The sample size also expected at least 10 times the number of parameters that can be estimated in the model. According to Çelik&Yılmaz,(2013), the sample size required for structural equation modeling should be at least 200 and/or 200-500.

Multicollinearity is essentially the assumption that the predictors are not too highly correlated with each other. When independent variables are strongly correlated, it is difficult to differentiate the individual independent variables' effect on the dependent variables. If the variables have strong and significant relation, it is better to combine into one new variable. According to Muijs (2010), Tolerance and Variance Inflation Factors (VIF) can be used as a test mechanism to check whether there is multicollinearity among independent variables or not. According to the author, to meet multiple regression assumptions, we need a tolerance score above 0.2 and VIF scores below 10.

Autocorrelation is the assumption that investigates the relationship of error terms among the indicators. Error term variance should be constant along time. it is to check whether there is autocorrelation or not the Durbin Watson test was used. This model assumes that the error terms are stationary and normally distributed with mean zero and constant variance. The test results estimated between 0 and 4 with a value of 2 indicating that the residuals are uncorrelated. A value greater than 2 indicates a negative correlation and a value less than 2 depict a positive correlation but the major concern is when the estimated value is either greater than 3 or below 1. In this case, there is a high correlation among the error terms.

Normality is also identified as the assumption of structural equation modeling. This assumption is used to determine whether the residuals are normally distributed. This can be tested by looking at the Histogram. To say the Normality assumption of this study is met, the Histogram

should be symmetric along the center. Generally, structural equation modeling is classified into two. Covariance based (CB-SEM) and Variance based (PLS- Partial Least Square). Almost all of the assumptions explained before served for CB-SEM. PLS, based on structural equation modeling don't need such types of assumptions strictly. If researchers want to investigate the relationship between formative indicators and latent variables multicollinearity test should be conducted.

### **3.6 Methods of Data Analysis**

To analyze and interpret the collected data both SPSS and structural equation modeling was used. SPSS was used to analyze the demographic characteristics of respondents through percentages. To analyze the entire latent variables, a descriptive analysis was used. Such analysis includes mean standard deviation and rank.

The result of the mean was analyzed by Zaidatol and Bagheri (2009) cut points. Those mean score below 3.39 is assumed to be low, the mean score from 3.40 up to 3.79 is considered as moderate and the mean greater than 3.79 is high. In addition to this, Huajuan (2012), developed the evaluative criteria for the Likert items with their meaning. According to Huajuan, the gap for breaking the range for each variable calculated as follow:

The range = (maximum-minimum)/maximum

$$(5-1)/5= 0.8$$

It means the score fall between the rages of:

1.00-1.80 are considered as strongly disagree

1.81-2.06 are considered as disagree

2.61-3.40 are considered as neutral

3.41-4.20 are considered as agree

4.21-5.00 are considered as strongly agree

In summary the interval classification of Likert Scale by Zaidation and Bagheri (2009) and Huajuan (2012) are very similar. The difference between the researchers is Zaidation and Bagheri (2009) classified below 3.40 ranges as low whereas Huajuran identified neutral from 2.61 to 3.40. Employees in their organization expected to have clear understanding on their

organization activities. Neutral might be an indication for confusion. If it so, organization lacks proper communication and orientation to the employees. Hence, it is necessary to avoid such confusion for betterment of organization performance.

Structural equation modeling was also used to examine the relationship and effects of organizational culture, employees' commitment on organizational performance. To apply the model, there are various computer programs. The most well-known programs include LISREL, AMOS, MPlus, EQS, and Smart PLS. The study used Smart PLS version 3 Software since it has a visual program that is easier to use than other programs. Path analyses were used to check the relationship among constructs of the study. The results were compared with the p-value ( $p < 0.05$ ) to test the formulated hypothesis in the study.

### **3.7 Ethical Considerations**

In this study ethical consideration is respected. Information and data from the respondents are confidential. Respondents will be informed clearly about the purposes of the study and respondents if they are only voluntary to do so. The data generated from each respondent will not be identified individually. Personal related information will not be written on the data collection tool. Generally, the information generated from respondents will not be exposed to a third party and they are highly confidential and worked based on informed consent.

## Chapter Four

### Results and Discussion

#### 4.1 Introduction

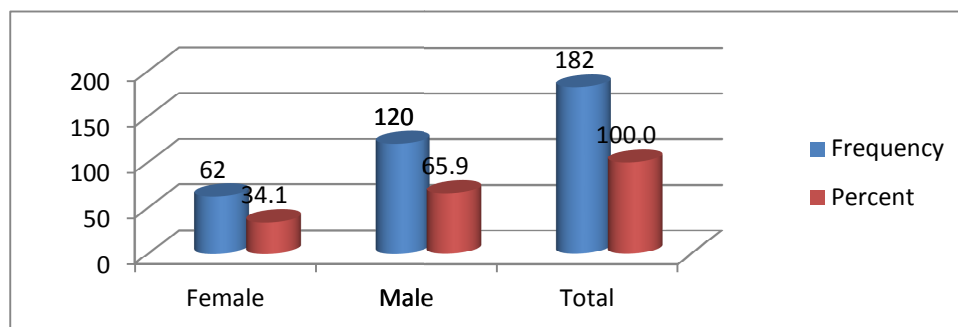
This chapter illustrated presentation and analysis of collected data with a discussion of the finding. Data were presented and analyzed to describe demographic background of the respondents, the practice of organizational culture, employees' organizational commitment, and organizational performance of the university through the mean. It was also used path analysis through Smart PLS 3 to test the relation and effects of organizational culture and employees' commitment to organizational performance.

To deal with the effects of independent variables (organizational culture and employee commitment) on dependent variables (organizational performance), reliability and validity tests of items were checked. In the study, 219 questionnaires were distributed to employees and 182 (83.12%) questionnaires were returned. This response rate in the study was very good to make a conclusion and recommendation. According to Saunders & et.al (2007) a response rate of 50%, 60% and 70% and above are adequate, good, and very good respectively.

#### 4.2 Demographic Background of the Respondents

The personal profiles of the respondents were analyzed as per their sex, employment category, years of service, and education level of Ethiopian Civil Service University. The frequency and percentage was used to analyze the demographic variables of the respondents. The presentation was also shown by graph for the purpose of convenience and clarity.

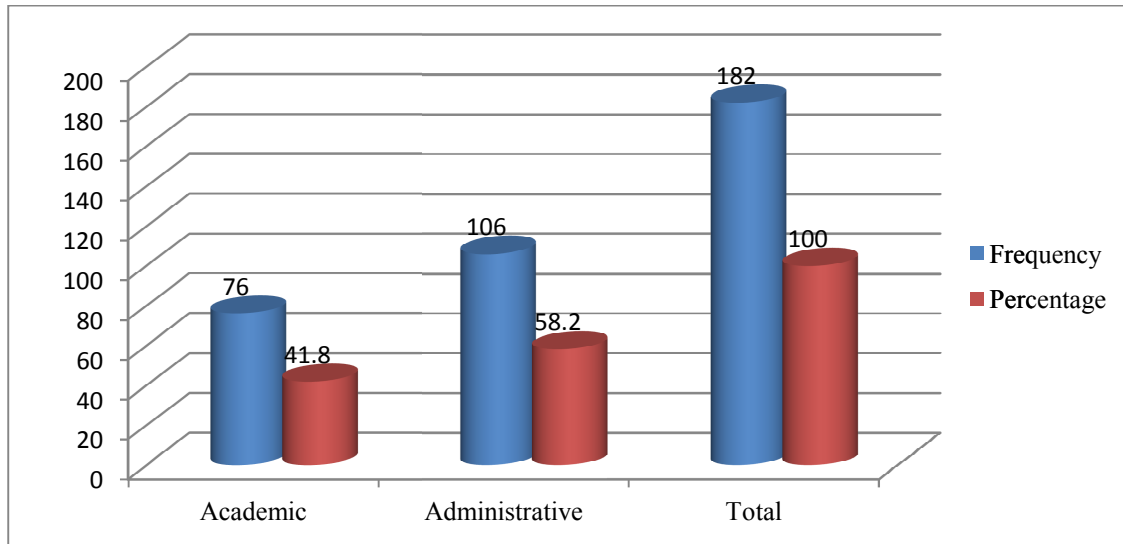
**Figure 4.1. Sex of Respondents (N=182)**



Source: Own Field Survey, 2020

There were 182 respondents participated in the survey. The finding portrayed that 120 (65.9%) and 62(34.1%) were males and females respectively. This indicated that the majority of participants in the survey were male in Ethiopian Civil Service University.

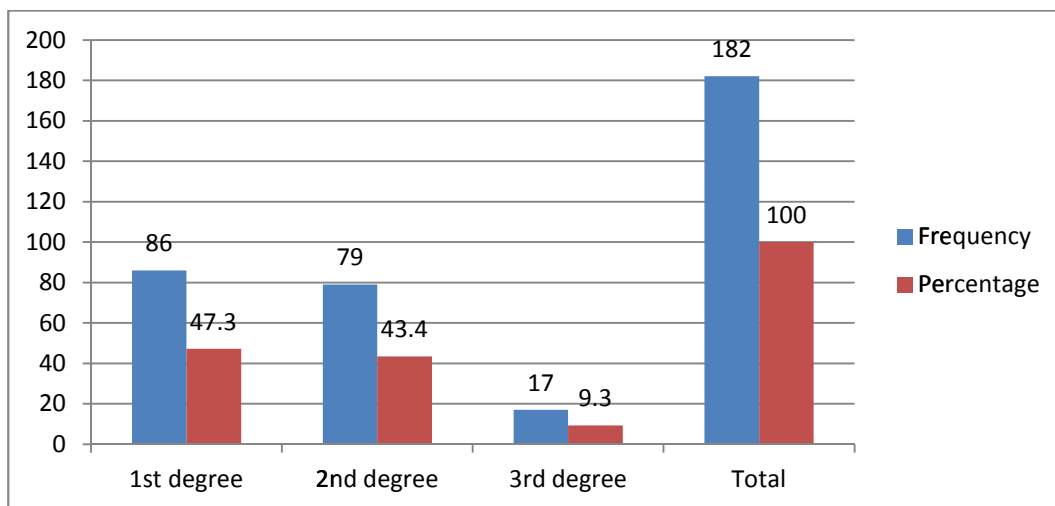
**Figure 4.2 Employment Category of Respondents**



Source: Own Field Survey, 2020

Employment category of respondents categorized into academic and administrative employees.106 (58.2%) percent of respondents were administrative and 76 (41.8 %) were academic. This portrayed that administrative employees were greater than academic employees in the university.

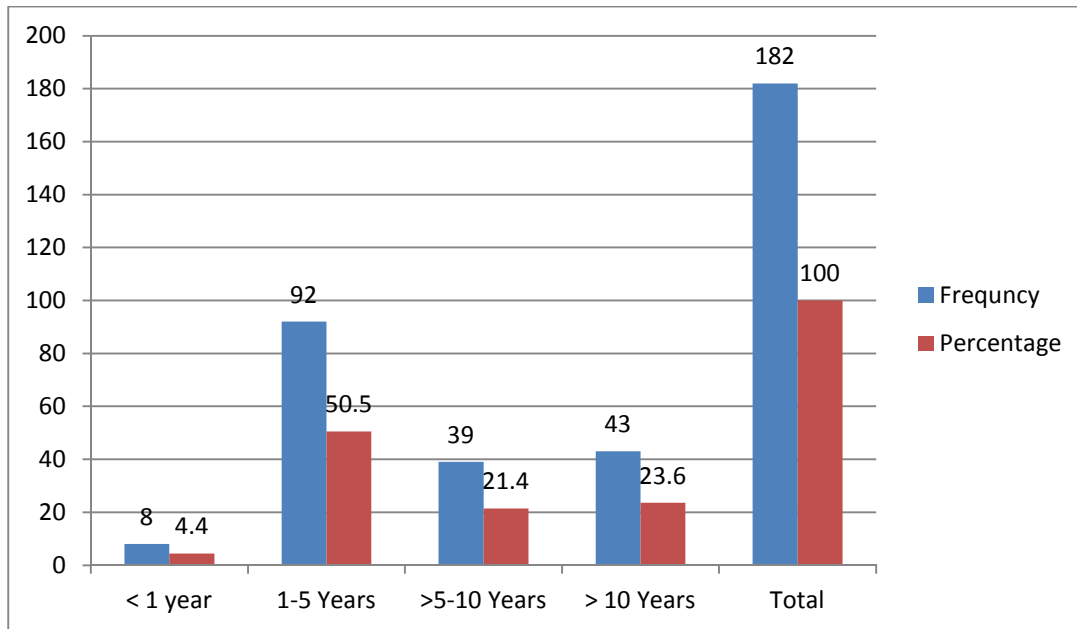
**Figure 4.3 Education Level of Respondents**



Source: Own Field Survey, 2020

The education level of respondents is classified into first, second and third degree. As figure 3 portrayed that 47.3 %, 43.4 % and 9.3 % of respondents were undergraduate, masters and PhD holders respectively. Furthermore, undergraduates' and masters' holders respondents were nearly equal.

**Figure 4.4 Years of Experience of the Respondents**



Source: Own Field Survey, 2020

As can be seen from figure four, 4.4 percent of the respondents had less than one year of work experience in the university. Over half of the respondents had 1 to 5 years of work experience. Among the total respondents in the survey, 55 percent of employees' handwork experience of below five years. Besides, 45 percent of the respondents had over five years of experience. This showed that the majority of employees in the university had below 5 years of experience.

### **4.3 The practice of organizational culture, employees' organizational commitment and organizational performance**

There are three important latent variables in this study (organizational culture, employee's organizational commitment, and organizational performance). Each has its own category. For instance, organizational culture attributes classified into involvement, consistency, adaptability, and mission. On the other hand, employees' organizational commitments are classified as normative, affective, and continuance commitment. Finally, the performance of the organization

is explained in terms of customer, internal process, learning and growth, and financial perspective.

Organizational culture was used as an independent variable whereas organizational performance as dependent variables. Between the two variables of employees, organizational commitment is used as an intervening variable.

#### 4.3.1 Organizational Culture

Organizational culture is a series of shared mental assumptions that lead interpretation and action in organizations by describing proper behavior for a variety of positions. In this study, organizational culture variables are analyzed by mean, standard deviation, and rank. Each variable under the organizational culture is described to explain the practice of the university in order to determine the extent of the employees' agreement with the employees' involvement in the organization's decisions, consistency, adaptability, and mission of the organization employees.

**Table 4.1 Organizational culture attributes- Employees Involvement (N=182)**

No	Employees Involvement	Mean	Std.	Rank
1	Decisions in ECSU are made at the levels where right information is available	3.00	1.02	3
2	ECSU employees believe that they can have a positive impact to their Organization	3.42	1.04	9
3	Employees of ECSU participate on their issue & there is clear mechanisms to happen such participation	2.96	1.05	1
4	Cooperation across different parts of the organization is encouraged in ECSU	3.11	1.05	5
5	Teamwork in ECSU is used to get work done, rather than hierarchy	3.14	1.09	6
6	ECSU employees work like they are part of a team	3.21	1.08	7
7	There is a continuous investment to develop the skills of employees	3.05	1.15	4
8	The capabilities of employees are viewed as an important source of competitive advantage	3.19	1.09	8
9	Authority is delegated in the university so that employees can act on their own	2.98	1.10	2
	<b>Average of the mean</b>	3.12		

Source: Own Field Survey,(2020)

As indicated in table 4.1, ECSU employees 'participation in their issue & the presence of clear mechanisms to happen was low. The mean value (2.96) was below the cut point 3.40. Employees agree that their participation in their issues was limited. They also disagree on the presence of clear mechanisms and systems that made them participate in their affairs. With regard to authority delegation to the university employees to act on their own was also low.

The mean value (2.98) for item 9 signified that employees have disagreed with the issues raised.

Hence, the employees were not satisfied with the authority delegation of the university. If there is no

proper delegation of authority, employees are unable to contribute their efforts to the wellbeing and achievement of the university mission. In addition, item 1 illustrated that decisions in ECSU are made at the levels where the right information is available was a mean of 3.00 which is below 3.40. This portrayed that employees believed that decisions were made without the right information.

The largest mean (3.42) in the employment involvement variable was, ECSU employees believe that they can have a positive impact on their Organization. Employees had self-confidence in their contribution to their organization if they had room to do so. Generally, all except item2 had below the cut point of 3.40. This indicated that employees had dissatisfied with their involvement in their organization various issues.

The overall mean of employees' involvement in the university was 3.12. This indicated that respondents were dissatisfied with organizational culture attributes of involvement. In this regard, Lawler& et.al (2003) explained that effective organizations participate in their employees at different levels. They empower and build their organizations around teams, and develop employees' capability at all levels. In such cases, employees are committed to their work and feel that they are part of the organization. People at all levels have their own input into decisions that will affect their work and organizations.

**Table 4.2 Organizational Culture Attributes- Consistency (N=182)**

No	Consistency	Mean	S. Dev.	Rank
1	Managers of ECSU practice what they are preaching	2.78	1.013	1
2	There is a consistent set of values that govern the way of ECSU	2.88	1.026	3
3	There is an ethical code that guides employees behavior and tells right from wrong	3.19	1.045	9
4	When disagreements occur in ECSU, employee work hard to achieve a "win-win" solutions	2.93	1.017	5
5	There is a clear agreement among employees regarding the right way & the wrong way to do things in the ECSU	3.08	1.012	8
6	It is possible to reach consensus in ECSU, even on conflicting issues	3.03	.979	7
7	Employees from different parts of the ECSU share a common perspective	2.92	.994	4
8	It is easy to coordinate projects across different parts of the ECSU	2.94	.997	6
9	The approach to do business is very consistent in the university	2.83	1.063	2
	Average of the Mean	2.95		

Source: Own Field survey,(2020).

Employees of Ethiopian Civil Service University requested to respond on their organization consistency with nine items with liker scale questions. As can be seen from table 4.2 respondents were dissatisfied with all items. The mean value of such items was below 3.40. The item 1with a mean value 2.78 showed that employees disagree that managers of ECSU practice

what they are preaching. This implied that managers' practice and their preaching were different in the university.

Respondents of ECSU disagree that the approach to do business in the university is very consistent (mean value = 2.83). Consistency in doing business is one of the key elements in the organizational culture of any institution. With regard to item 2, the mean value was 2.88. It portrayed that employees disagree with a consistent set of values that govern the way of ECSU. If there is no consistency in the organizations, the values, norms, and ethical standards of the organization change from time to time, and difficult to mobilize employees to achieve organizational goals. Furthermore, employees lack confidence in their organization.

The overall mean of the consistency of organizational culture was 2.95. This indicated that the organization lack consistency of values and employees are dissatisfied by the same. In this regard, Denison & Mishra, (1995) illustrated that some organizations are ineffective because they have weak cultures that are inconsistent, poorly coordinated and lack of proper integration. The author recommends that the behavior of employees in the organization should be in line with a consistent set of core values, and leaders and followers should be skilled to reach agreement even when there are diverse points of view. This type of consistency is a powerful tool for stability and internal integration. This result is gained from a common mindset and a high degree of conformity which enhances organization productivity and quality (Denison & Mishra, 1995).

**Table 4.3 Organizational Culture Attributes- Adaptability (N=182)**

No	Adaptability	Mean	S. Dev	Rank
1	Improved ways to do work are continually adapted	3.02	.97	2
2	Different parts of the organization cooperate to create change	3.10	1.03	3
3	ECSU respond to both internal and external changes in the business environment	3.16	1.03	4
4	Customers comment leads to changes and influences decision making	3.29	1.07	5
5	Employees of ECUS understand customers' needs	3.52	.99	8
6	Customers inputs directly influences company's decisions	3.42	1.04	7
7	Innovation is encouraged at ECSU	2.95	1.09	1
8	Learning is an important objective in a day-today work of the company	3.52	1.11	8
9	ECSU view failures as an opportunity for learning and improvement	3.05	1.01	3
Average of the Mean		3.23		

Source: Own Field Survey,(2020)

The results in table 4.3 depicted that, the mean ratings of the employees regarding their level of agreement on ECSU organizational adaptability. The overall mean (3.23) of adaptability was

less than 3.4 which was below the Zaidatol and Bagheri (2009) cut point. This portrayed that ECSU respondents generally disagreed with the adaptability situation of the university. The university expected to endeavor more to achieve a higher level of agreement in those parameters.

The level of agreement of ECSU respondents on the items of innovation is encouraged at the university was low. The mean value (2.95) of item 7 was below the cut point 3.40. On the other hand, item 5 and 8 which was employees of ECUS understand customers' needs and learning is an important objective in a day-today work of the university had got positive rating with a mean value of 3.52. In addition, Customer inputs directly influence the organization's decisions had got moderate agreement from the respondents. The standard deviation of item 8 has high variability among the respondents compared to other item variations.

Generally, the rating of respondents on ECSU adaptability with new situations and environments had mixed results. Some of them were below the cut point and others were above. Most of the mean was below 3.40 which was a low rating. Only items 5,6 and 8 had a moderate agreement. In addition, there was no mean that indicated a high response of agreement in the adaptability of organizational culture. In this regard, Stalk (1988) described that adaptive organizations are continuously changing their system so that they are improving the organization's collective abilities to provide value for their customers. They are risk-takers and learn from their mistakes. They are creative and change agents. Contemporary organizations are expected to be adaptive to the internal and external environment to go forward in this competitive world. If it doesn't so, they will fail and lack customers (Stalk, 1988).

**Table 4.4 Organizational Culture Attributes- Organizational Mission (N=182)**

No	Organizational Mission	Mean	S. Deviation	Rank
1	ECSU has a clear mission that gives meaning and direction	3.71	1.09	8
2	ECSU strategic direction is clear to me	3.47	1.11	6
3	There is a long-term purpose and direction of the ECSU	3.55	1.04	7
4	Leaders set goals that are ambitious, but realistic	3.25	.99	5
5	ECSU continuously track its progress against the stated goals	3.16	.97	3
6	There is widespread agreement about the goals of the ECSU	3.16	.96	3
7	Employees have a shared vision of what the organization will look like in the future	3.14	.99	2
8	ECSU creates excitement and motivation for employees	2.77	1.14	1
	Average of the Mean	3.28		

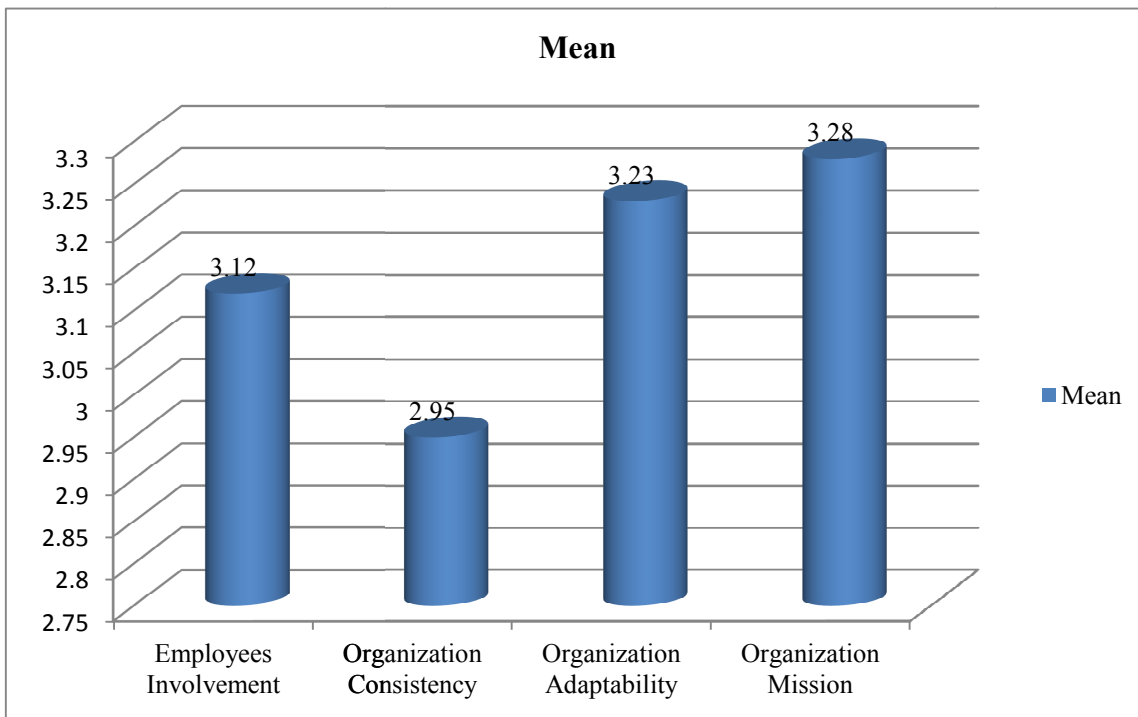
Source: Own Field Survey,(2020).

The respondents of ECSU in table 4.4 item 1 with the mean value 3.71 depicted that respondents moderately agreed that ECSU has a clear mission that gives meaning and direction. In addition, they also agreed that the university has a strategic direction that was clear to them. Moreover, the respondents were moderately agreed on the presence of long term purposes and direction of the university with the mean 3.55. On the contrary, the rest of the items (4, 5, 6, 7, and 8) in table 4.4, portrayed that respondents were dissatisfied with the items mentioned.

Item 8 in table 4.4 showed that had the lowest mean (2.77). This showed that respondents believed that the university didn't create excitement and motivation for employees. This implied that it is difficult and sometimes unthinkable to get many endeavors from the employees without proper motivation in the organization. With regard to the deviation of the responses of the respondents, items of 4, 5, 6, 7 had below one, and items 1, 2, 3, and 8 had between 1.04 and 1.14.

The overall mean (3.28) of the respondents on organizational culture attributes of the mission was low. This portrayed that respondents have disagreed with the organizational culture of the mission. In this regard, Addisalem (2019) depicted that all basic components of organizational culture such as involvement, consistency, mission, and adaptability attributes of organizational culture affect organizational performance significantly.

**Figure 4.5 Overall Mean of Organizational Culture**



Source: Own Field Survey,(2020).

The grand mean for all organizational culture attribute components was in figure five is 3.15. The university organizational culture didn't show a high level of maturity. In order to achieve such a level, the mean is expected to reach above 3.8 points of the mean. To compare the mean of each attribute, consistency (mean of 2.95) had the lowest, and the organization mission (3.28) was the highest. Generally, the mean of organizational attributes was low. In this regard, Kamau and Wanyoike (2019) illustrated that to improve organizational performance; organizational culture should be supportive and compatible with intended. Data gathered from the open-ended questions regarding the organizational culture of ECSU showed that the university was unable to:

- ❖ Deploy the right person to the right position
- ❖ Encourage administrative staffs by top management
- ❖ Conduct comprehensive reform starting from top to bottom of organizational structure
- ❖ Entertain the interests of employees fairly
- ❖ Reduce turnover of employees due to lack of fair treatment
- ❖ Redefine the mission and vision of the organization
- ❖ Create awareness on organizational culture
- ❖ Bring change due to lack of readiness to receive any comment and ideas from employees
- ❖ Provide sufficient further education beyond the first degree

One of the respondents explains his idea is that "Nothing is creative and business is going in a very normative way." Furthermore, the respondents explained that an attempt to solve problems in the university is also done in a way that we are accustomed to, new change, creative approach, mission and vision revision, understanding timely demands, etc need to be addressed as quickly as possible, if not we live as usual and leave the university without significant delivery of output.

Data gathered from Key informants through interview indicated that organizational culture of the university is not well organized and not communicated to employees of the university. Employees of university are participating in different teams to accomplish their daily activities. However, employees believed that the university is highly centralized and the suggestions of academic and administrative staffs are not included as they expected.

The interviewee also deemed that the university is unable to create awareness to employees on university values and norms consistently. The university lack education and training policy and standards to evaluate whether the system is consistent or not. Employees of university are not sure on the ethical code that guides their behavior and tells right from wrong due to lack of awareness creation by concerned bodies. Working business in the university is inconsistent and there is no clear binding rules and regulation to run.

The university has good history in adopting and implementing various reforms such as business process reengineering (BPR), balanced scorecard (BSC) & Kaizen. However, none of such management tools implementation are effective now a day. For instance, recently there was good implementation of Kaizen and there was a good change in some offices of the organization, however, such changes did not continue due to lack of monitoring and rewards. In nut shell, the university has positive appetite to accommodate changes but such changes are not entertained consistently until the end due to lack of mobilization of employees and reward system.

The interviewee deemed that the university has clear mission and vision. The mission of the organization is to capacitate public sector employees through education, training, consultancy and research. The university endeavors based on its mission and conduct customer satisfaction survey annually to check customer satisfaction. Furthermore, the university develop a vision to be center of excellence in Africa in 2025 nevertheless, there is no clear strategy how to reach there.

#### **4.4 Employees Organizational Commitment**

Employees' organizational commitment attributes in the organization are measured by affective, normative, and Continuance Commitment. For the sake of convenience, each organizational employee's commitment is depicted in separate tables. The first variable is affective commitments of employees. It is an attitudinal process in which employees want to stay in the organization due to the congruency of individual value with goal organization. The collected data regarding affective commitment indicated in table 4.5

**Table 4.5 Organizational Employees Affective Commitment (N=182)**

No	Affective Commitment	Mean	S. Deviation	Rank
1	I would be very happy to spend the rest of my career at ECSU	3.03	1.16	1
2	I really feel as if this organization's problems are my own	3.33	1.17	6
3	I feel ECSU as part of my family	3.21	1.20	4
4	I am emotionally attached to ECSU	3.14	1.11	3
5	ECSU has a great deal of personal meaning for me	3.10	1.18	2
6	I feel a strong sense of belonging to ECSU	3.29	1.16	5
	Average of the Mean	3.12		

Source: Own Field Survey, (2020).

As table 4.5 indicated that the average mean of respondents (3.12) was lower than the mean 3.40. This indicated that employees were not comfortable staying in the organization due to the congruence of individual values and organizational goals.

Table 4.5 was also portrayed that the results of all items from 1 to 6 were less 3.40. This indicated that the level of respondents' agreement on affective commitment was low. This depicted that the level of agreement of employees to stay in ECSU was negative. Specifically, the mean value of items 1, 2,3,4,5 and 6 were 3.03, 3.33, 3.21, 3.24, 3.10 and 3.29 respectively. The dispersion of respondents to the items was ranging from 1.16 to 1.20 which indicates that there is a difference among the respondents in reacting to each item.

Affective commitment has an influential power to predict turnover, absenteeism, and deviant workplace behavior in the organization. Employees who are working in the organization with lower affective commitment indicate that they are working without the love and affection of their organization. Research conducted at the Commercial Bank of Ethiopia portrayed that nearly half (48.4%) of the employees have rated their affective commitment was low (Desalegn, 2016).

**Table 4.6 Employees Organizational - Normative Commitment (N=182)**

No	Organizational Employees Normative Commitment	Mean	S. Deviation	Rank
1	I feel as obligation to stay with ECSU	2.99	1.14	5
2	Even if it is my advantage to join other organization , I feel it would be right to stay at ECSU	2.63	1.15	1
3	I would feel guilty if I left ECSU now	2.97	1.13	4
4	This organization deserves my loyalty	2.94	1.16	3
5	I would stay my organization right now because of my sense of obligation to it	2.80	1.11	2
6	I owe a great deal to ECSU	3.29	1.15	6
	Average of the Mean	2.94		

Source: Own Field Survey,(2020).

Employees organizational normative commitment is an employee's desire to stay with the organization based on a sense of duty, loyalty, or moral obligation. As table 4.6 indicated that the overall mean value (2.94) was below 3.40. This portrayed that employees lack moral obligation and loyalty to stay in the university. All items mean in table 4.7 had a lower mean value compared to the cutting point of 3.40. Employees in item 1 asserted that they didn't feel an obligation to stay at ECSU. In the same vein, employees had the interest to join another organization if they get the advantage. In addition, item 4 portrayed that respondents believed that ECSU didn't deserve their loyalty. The better rating of respondents in normative commitment was item 6 with the mean value of 3.29. Generally, respondents in normative commitment showed that they were dissatisfied by their university.

**Table 4.7 Employees Organizational Continuance Commitment (N=182)**

No	Organizational Employees Continuance Commitment	Mean	S. Deviation	Rank
1	It would be very hard for me to leave my job at ECSU right now even if I wanted to	2.96	1.12	3
2	Too much of my life would be disrupted if I leave my ECSU	2.95	1.16	2
3	Right now, staying with my job at ECSU is a matter of necessity as much as desire	2.68	1.08	1
4	I believe I have too few options to consider leaving ECSU	3.25	1.06	6
5	One of the few negative consequences of leaving my job at ECSU would be the scarcity of available alternative elsewhere	3.12	1.12	4
6	One of the major reasons I continue to work at ECSU is that leaving would require considerable personal sacrifice	3.15	1.11	5
	Average of the Mean	3.02		

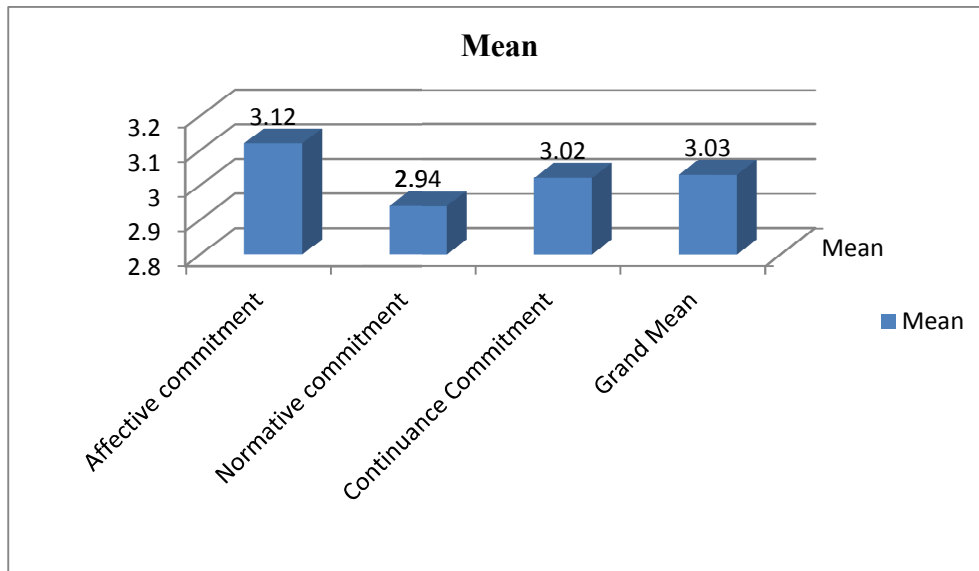
Source: Own Field Survey,(2020)

Continuance Organizational Commitment is described as a need to remain in the organization based on the costs associated with leaving. Table 4.7 showed that all items mean was below 3.40. In other words, it was not very hard for ECSU employees to leave their job right now if they wanted to do. Furthermore, too much of the respondents' life would not be disrupted if they leave ECSU. Similarly, right now staying with their job at ECSU is a matter of necessity as much as desires were low.

All items in table 4.7 showed that the cost associated with leaving ECSU was low. This indicated that ECSU employees lack opportunities to leave their organization. It implied that if they had opportunities, they were motivated to leave. Generally, respondents believed that the cost of leaving ECSU was not significant if they had got new opportunities to move. The overall mean (3.02) of the respondents in continuance organizational commitment was also low. This showed that the continuance commitment of the university was low. They were working in the organization due to a lack of opportunities rather than the cost of leaving ECSU is high.

With regard to this, Desalegn (2016) indicated that 57% of the Commercial Bank of Ethiopia working in the organization without true commitment. Rather they are staying due to lack of alternatives. It is difficult for employees to make them productive if they are working in their organization due to a lack of alternatives.

**Figure 4.6 Overall Mean of Employees' Organizational Commitment**



Source: Own Field Survey, (2020).

Figure 4.6 showed that the overall mean of employees' organizational commitments. It indicated that the grand mean (3.03) was below the cutting point of 3.40. This portrayed that employees' organizational commitment was low. The rank of their commitments was also showed that normative was the lowest and affective commitment was the highest.

Similar research conducted at Ethiopian Management Institutes showed that the level of organizational commitment of employees was moderate (Hygot, 2017). The researcher concluded that most Ethiopian Management Institute employees feel a sense of identification, involvement, and emotional attachment to the institute. Data gathered from the respondents through the open-ended questionnaire indicated that: Employees lack interest to stay in the university.

- ❖ The university unable to open to discussion with staffs to bring solutions to the problems
- ❖ Informal group in the university has big hands and dominate the formal organization.
- ❖ Poor leadership with poor academic culture hinders employees commitment
- ❖ Many questions raised from the employees in the university but there is no change
- ❖ Most employees used their current job as springboard to get better job
- ❖ Lack of consistency of rules and regulation in the university

Finally let me close the issue with one respondent quote, "I am surprised when I think I am still here."

Data gathered from key informants of the university showed that there is congruence of organizational and personal goals. Most of the employees join the university to get further education. This may be a good issue to sustain employees in the university. The academic staffs have unlimited access to further education but administrative staffs are limited access. The limited access for education for non academic staffs discourages them not to stay in the university.

The turnover rate of administrative staffs is greater than academic staffs. Generally, the interviewee believed that an administrative employee of the university lacks commitment. In the same line, some of the academic staffs of the university are very busy on their business. They are working in different higher education to improve their life. Most of the administrative staffs are also dissatisfied and lack commitment due to lack of incentives. Generally, interviewee believed that employees' commitments are not as expected due to low salary and rewards. The

amount of salary employees received per month doesn't help them to live a decent life in this double digit inflation nation.

#### 4.5 Organizational Performance

Organizational performance variables can be measured by a balanced scorecard measure. These include customer, internal process, learning and growth, and financial perspective. For the sake of convenience, each organizational performance variables are discussed in the separate tables.

**Table 4.8 Organizational Performance - Customer Perspective (N=182)**

No	Customer Perspective	Mean	Standard Deviation	Rank
1	The university conducts an annual survey to examine student level of satisfaction	3.36	.997	7
2	The university uses students feedback to improve performance	3.21	1.000	4
3	ECSU employees are satisfied by their organization performance	2.82	.999	1
4	Students get respect from the academic & administrative staff in the university	3.50	1.007	8
5	The university offers services for students & trainees in the shortest possible time.	3.52	.984	9
6	The university is enthusiastic to provide high-quality services	3.34	1.059	6
7	ECSU Students have a good image on ECSU	3.11	1.201	2
8	The university-trained highly qualified students who could contribute to society	3.21	.975	4
9	The university serves the community effectively through research & consultation	3.13	1.083	3
Average of the Mean		3.24		

Source: Own Field Survey, (2020)

As indicated in table 4.8, the respondents' mean score was ranging from 2.82 to 3.52. As the cut point of Zaidatol and Bagheri (2009) showed that the mean below 3.40 was low. On the other hand the mean above 3.39 to 3, 79 indicated moderate performance. Based on these categories, scores of items 1, 2,3,6,7, and 8 were below 3.40. It denoted that respondents tended to disagree with those issues raised in the items. The lowest mean (2.82) on customer category performance of the university was employees dissatisfied by their organization performance. The moderate rating of respondents in table 4.8 was on students get respect from the academic and administrative staff in the university (3.52) and the university offers services for students & trainees in the shortest possible time (3.50).

The rank by the mean portrayed that the first three lowered rank by the respondents were ECSU employees are satisfied by their organization performance (1st), ECSU Students have a good image on their university (2nd) and the university serves the community effectively through research &consultation (3rd). The average mean of respondents in table 4.9 was also 3.24. It assured that the customer perspective performance of the organization was below the

expected average. In nutshell, respondents were dissatisfied with the university customer-related performance. The variability of respondents is ranging from 0.975 to 1.201. This showed that the standard deviation of respondents was around one.

**Table 4.9 Organizational Performance - Internal Process Perspective (N=182)**

No	Internal Process Perspective	Mean	S. deviation	Rank
1	The ECSU offers several new service such as new courses, program, curriculum & training	3.53	1.00	5
2	The university provides an acceptable ratio of academic staff to students.	3.29	.98	4
3	The ECSU offers all the facilities as required in proportion to the number of students & trainees.	3.22	1.01	2
4	Communication in various levels of a university is smooth and productive	2.99	1.07	1
5	The university deploys academic staffs based on university standards	3.28	1.00	3
Average of the Mean		3.26		

Source: Own Field Survey,(2020).

The internal perspective is a business processes and systems that the organization used to excel its performances. It can be measured by five items in table 4.9. The mean of the items are ranging from 3.22 to 3.53 on internal process perspective. The respondents rated positive and moderate rating on the university that offers several new services such as new courses, program, curriculum & training (3.53).

The other items (2, 3, 4&5) were rated below 3.40. This showed that respondents were disagreed with most of internal process performance of the university. To cite some of them, communication in various levels of a university was not smooth and productive, the university facilities were not in proportion to the number of students & trainees and the university deploys academic staffs not based on its own standards. The average of the mean (3.26) was also low. This indicated that the university respondents were negative rating on the university internal process perspective. The variability of the respondents was also ranging from 0.98 to 1.01.

**Table 4.10 Organizational Performance - Learning & Growth Perspective(N=182)**

No	Learning and Growth Perspective	Mean	S. deviation	Rank
1	Top management encourages staff to receive awards such as patents, excellence awards	2.70	1.106	1
2	Top management dealing seriously with the staff suggestions	2.71	1.080	2
3	Top management is enthusiastic in adapting to new technology and new ideas.	2.91	1.096	4
4	Top management contributes to the involvement of all the staff to develop competencies.	2.88	1.075	3
5	Top management encourages academic staff to increase research productivity.	3.13	1.077	8
6	Academic excellence is top management objective (through an increasing publish articles in journals, scientific conferences, and scientific awards)	3.10	1.039	7
7	Top management creates a mechanism to provide short term training for the staffs	2.95	1.095	5
8	Top management creates an opportunity of long term training for the staff to increase their rank	2.98	1.133	6
9	Average of the Mean	2.92		

Source: Own Field Survey, (2020).

The learning and growth perspective is a measure of the level of employee training and development to achieve the goal of the organization. As depicted in table 4.10 all items of were below the cutting point of 3.40. This showed that respondents were dissatisfied in all of the learning and growth items. Particularly, the first three top disagreement of the respondents were top management unable to encourage staff to receive awards such as patents, excellence awards (1<sup>st</sup> rank), top management unable deal seriously with the staff suggestions (2<sup>nd</sup> rank) and top management has limited contribution and involvement to capacitate all the staff to develop competencies (3<sup>rd</sup>). The average of the mean (2.92) also portrayed that the respondents were dissatisfied on learning and growth perspective of the university.

The internal perspective is business processes and systems that the organization used to excel in its performances. It can be measured by five items in table 4.10. The mean of the items is ranging from 3.22 to 3.53 on the internal process perspective. The respondents rated positive and moderate rating on the university that offers several new services such as new courses, program, curriculum & training (3.53).

The other items (2, 3, 4 &5) were rated below 3.40. This showed that respondents have disagreed with most of the internal process performance of the university. To cite some of them, communication in various levels of a university was not smooth and productive, the university facilities were not in proportion to the number of students & trainees and the university deploys academic staff not based on its standards. The average of the mean (3.26) was also low. This indicated that the university respondents were negative ratings on the university's internal process perspective. The variability of the respondents was also ranging from 0.98 to 1.01.

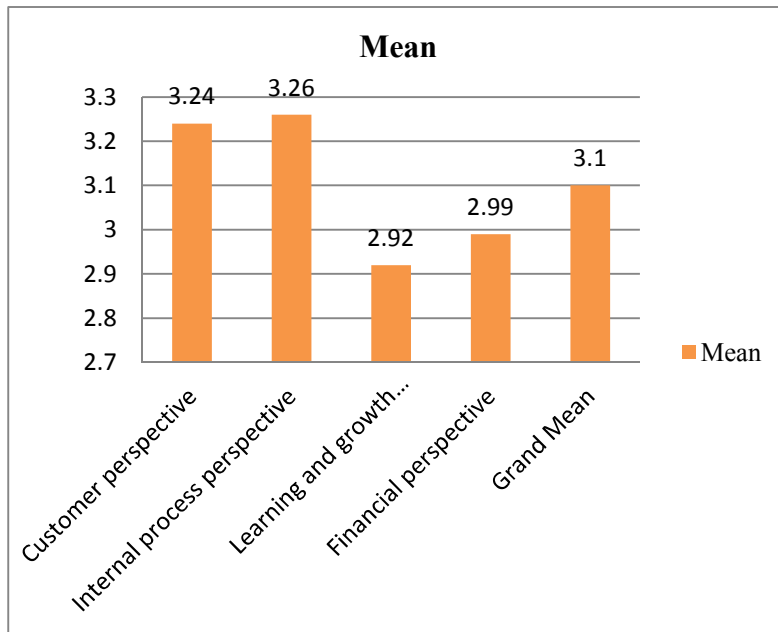
**Table 4.11 Organizational Performance - Financial Perspective (N=182)**

No	IV. Financial Perspective	Mean	S. deviation	Rank
1	The university gets an increase in the funding rate from time to time	3.26	1.010	5
2	Investment in human resources is a priority for the university	3.01	1.163	2
3	Top management encourages staff and students to get annual grants.	2.64	1.086	1
4	Most of the financial resources are deployed for the core process (teaching & learning) of ECSU	3.06	1.131	4
5	The university encourages more efficient use of financial resources	3.02	1.056	3
Average of the Mean		2.99		

Source: Own Field Survey,(2020).

As table 4.11 indicated that the average mean financial perspective was 2.99. The value portrayed that employee's dissatisfaction on financial perspective of the university. Besides, the mean results of all items in table 4.11 showed that it was below 3.40 which illustrated that the respondents' dissatisfaction. The first three top negative responses by the respondents include; top management unable to encourage staff and students to get annual grants (1st) investment in human resources was not priority for the university (2nd) and the university didn't encourage more efficient use of financial resources (3rd). Generally, it is possible to conclude that the university performance in financial perspective was unable to achieve moderate and or high level of respondent agreement.

**Figure 4.7 Overall Mean of Organizational Performance**



Source: Own Field Survey,(2020)

To have clear picture on the organizational performance of Ethiopian Civil Service University, the grand mean for the four perspectives was calculated in figure 4.7. The grand mean (3.10) was below 3.40 which indicated that the organizational performance was low. Besides when we look the rank of organizational performance from the lower to higher, learning and growth, financial, customer and internal process perspective ranked 1, 2, 3 and 4 respectively. In nut shell respondents believed that organizational performance of the university was below their expectation. Data gathered from open-ended questionnaire also showed that:

- ❖ Employees should get benefits according to their performance
- ❖ Top management should work hard to make university effective
- ❖ Some staffs of the university are very busy with their personal business than university duties.
- ❖ Poor utilization resources and technology
- ❖ The university needs to give a due attention on the development of human resources
- ❖ The performance of the university is also low
- ❖ There is gap between top management and employees of the university, therefore, the top management should changed such type of approach for better performance

Data gathered from the key informants of the university portrayed that the organizational performance is average. The performance measures used for the university are customer satisfaction, internal process, learning and growth and financial perspective in balanced scorecard format. The university strives to meet the satisfaction of students as first priority. The interviewee believed that if the students are complaining in various issues, they are heard immediately by university management compared to the employees complain. The university was also unable to mobilize and motivate employees for better commitment to perform well. Generally, the key informants believe that students and trainees in the university satisfied than academic and administrative staffs of the organization.

Key informants believed that the internal process of the university was entangled with various problems. The organizational communication in the university is not smooth and productive. The facilities that the university provide to the teaching learning process is not adequate and on time. The university had more masters degree students compared to first degree. The ratio of the students to the available resources is not adequate. For instance the class size of masters' students is high. Besides, the key informant believed that the provision of various inputs to the teaching learning process was not on time. The purchasing process was so long and employees are not able to provide the service on time with the desired quality and quantity.

The key informants deemed that learning and growth perspective implementation of the university is good for academics staffs. They can get access to long term training, on the other hand the opportunity for administrative employees were low. Generally, the interviewee believed that the opportunity to the short term training for the employees relevant to work position was low in Ethiopian Civil Service University.

Finally, the data gathered from the key informants' interview portrayed that the university budget utilization was good in terms of achieving its goals. However, there are so many inefficiencies to provide the purchased goods to the departments and various offices based on requested time and quality.

#### **4.6 Structural and Measurement Models Analysis**

Structural equation modeling is a second-generation statistical tool used to test and estimate causal relationships among variables. According to Gaskin (2014), the model has good strength to test complex relationship among latent variables. Structural equation modeling can be seen in

terms of covariant-based and variance based. PLS-SEM models are more compatible when the sample size is small and many indicators in the model.

Covariance based structural equation modeling is suitable when the sample is large and indicators are not large in number. Due to this reason, this study used more relevant structural equation modeling of PLS -structural equation modeling. Partial Least Square technique of estimations is a well-known method that estimates the path coefficients in structural models. The model has been widely used in contemporary researches. PLS method of estimation has become popular in marketing and management research due to its ability to test and estimate the relationships of latent variables without strict assumptions of normality and sample size.

#### **4.6.1 Measurement Model Analysis**

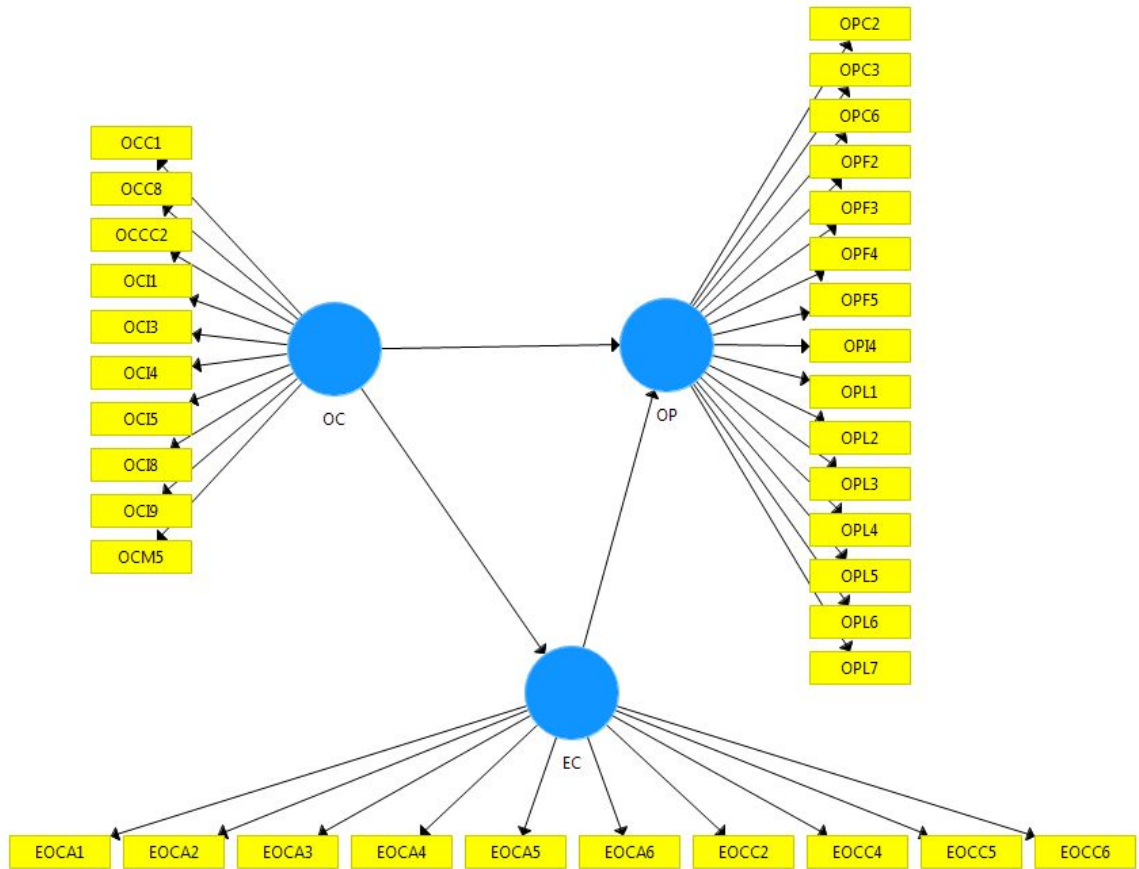
It is the assessment of outer model in structural equation modeling. In the assessment, indicator reliability analysis, Internal Consistency Reliability, convergent validity and discriminant validity were checked by using acceptable specification.

##### **Indicator reliability Analysis**

Indicator reliability is a condition for validity. It is necessary to check the indicators strength to explain their respective latent variables. The strength of the indicators are checked by reflective outer loading values. The loading which has less than 0.7 are discarded whereas, above 0.7 are selected for testing and estimating the model. There are three latent variables which include organizational culture, employees' commitment and organizational performance.

In organizational culture variable, there are 35 questions in which 10 of them are selected and others are discarded based on the threshold criteria. Besides, there are 18 items in employees' commitment latent variables. Among them 10 questions are selected. Finally from 27 organizational performance related indicators, 15 of them are selected. Generally, a total of 35 items were fulfilling indicator reliability from 80 questions. The selected items, code and their outer loading are indicated in table 12.

**Figure 4.8 Latent Variables with Path Analysis**



Source: Smart PLS Output (2020)

As figure 4.8 showed that OC (organizational culture), EC (employees commitments) and OP (organizational performance) items with their outer loading illustrated. These items are fulfilling consistency and validity criteria to run PLS algorithm. Besides, the model showed that organizational culture affects employees' commitment and organizational performance. On the other hand, employees' commitment affects the organizational performance.

**Table 12 Indicator and their Outer Loading**

Latent variable	Code	Indicators	Loading
Organizational Culture	OCI1	Decisions in ECSU are made at the levels where right information is available	0.767
	OCI3	Employees of ECSU participate on their issue & there is clear mechanisms to happen such participation	0.773
	OCI4	Cooperation across different parts of the organization is encouraged in ECSU	0.775
	OCI5	Teamwork in ECSU is used to get work done, rather than hierarchy	0.703
	OCI8	The capabilities of employees are viewed as an important source of competitive advantage	0.755
	OCI9	Authority is delegated in the university so that employees can act on their own	0.712
	OCC8	It is easy to coordinate projects across different parts of the ECSU	0.776
	OCA1	Improved ways to do work are continually adapted	0.710
	OCA3	ECSU respond to both internal and external changes in the business environment	0.708
	OCA7	Innovation is encouraged at ECSU	0.716
Employees Commitment	EOCA1	I would be very happy to spend the rest of my career at ECSU	0.762
	EOCA2	I really feel as if this organization's problems are my own	0.730
	EOCA3	I feel ECSU as part of my family	0.769
	EOCA4	I am emotionally attached to ECSU	0.759
	EOCA5	ECSU has a great deal of personal meaning for me	0.813
	EOCA6	I feel a strong sense of belonging to ECSU	0.827
	EOCC2	Too much of my life would be disrupted if I leave my ECSU	0.767
	EOCC4	I believe I have too few options to consider leaving ECSU	0.765
	EOCC5	One of the few negative consequences of leaving my job at ECSU would be the scarcity of available alternative elsewhere	0.765
EOCC6	One of the major reasons I continue to work at ECSU is that leaving would require considerable personal sacrifice	0.762	
Organizational Performance	OPC2	The university uses students feedback to improve performance	0.706
	OPC3	ECSU employees are satisfied by their organization performance	0.719
	OPC6	The university is enthusiastic to provide high-quality services	0.710
	OPI4	Communication in various levels of a university is smooth and productive	0.717
	OPL1	Top management encourages staff to receive awards such as patents, excellence awards	0.767
	OPL2	Top management dealing seriously with the staff suggestions	0.765
	OPL3	Top management is enthusiastic in adapting to new technology and new ideas.	0.814
	OPL4	Top management contributes to the involvement of all the staff to develop competencies.	0.780
	OPL5	Top management encourages academic staff to increase research productivity.	0.793
	OPL6	Academic excellence is top management objective(through an increasing publish articles in journals, scientific conferences, and scientific awards)	0.701
	OPL7	Top management creates a mechanism to provide short term training for the staffs	0.712
	OPF2	Investment in human resources is a priority for the university	0.752
	OPF3	Top management encourages staff and students to get annual grants.	0.795
	OPF4	Most of the financial resources are deployed for the core process (teaching & learning) of ECSU	0.762
OPF5	The university encourages more efficient use of financial resources	0.784	

Source: Own Field Survey,(2020).

As indicated in table 4.12, all indicators loading are greater than 0.7 and they fulfill the criteria of indicator reliability.

### **Internal Consistency Reliability Analysis**

It was common to use Cronbach's alpha to measure internal consistency in social science research, however, PLS structural equation model developed a conservative measurement of composite reliability. The argument was that Cronbach's alpha is sensitive to a number of indicators and underestimates the values of indicators. The threshold of composite reliability according to (Hair et al., 2012) is greater than or equal to 0.7. From Table 13, such values are shown to be larger than 0.7, so high levels of internal consistency reliability have been demonstrated among all three reflective latent variables.

**Table 13. Internal Composite Reliability and Convergent Validity**

Latent Variables	Cronbach's Alpha	Rho.A	Composite Reliability	Average Variance Extracted (AVE)
Organizational Culture	0.908	0.91	0.924	0.548
Employees Organizational Commitment	0.925	0.928	0.937	0.597
Organizational Performance	0.945	0.946	0.951	0.566

**Source:** Source: Smart PLS Output (2020)

### **Convergent validity**

To check the convergent validity of the latent variables, we use Average Variance extracted measurement (AVE). The minimum threshold for convergent validity is that the AVE should be greater than 0.5. As shown in Table 13, the convergent validity of organization culture, employee commitment, and organizational performance latent variables is more than 0.5 and met the criteria.

### **Discriminant validity**

It is the assessment tool that reflects the extent to which the latent variable indicators are distinct from other latent variable indicators by empirical standards (Hair.etal, 2014). This type of validity can be tested by cross-loading of indicators and Average Variance Extracted. The cross-loading of each indicator associated with the latent variable should be greater than on all its loading in the other latent variable indicators. If it is so, the indicators have discriminant validity. As table 16 showed that the criteria were fulfilled.

**Table 14. Cross loading of indicators in each latent variables**

Indicators	Employees commitment	Organizational culture	Organizational performance
EOCA1	<b>0.762</b>	0.452	0.471
EOCA2	<b>0.730</b>	0.359	0.404
EOCA3	<b>0.769</b>	0.357	0.421
EOCA4	<b>0.759</b>	0.416	0.404
EOCA5	<b>0.813</b>	0.468	0.422
EOCA6	<b>0.827</b>	0.520	0.565
EOCC2	<b>0.767</b>	0.455	0.458
EOCC4	<b>0.765</b>	0.495	0.472
EOCC5	<b>0.765</b>	0.461	0.469
EOCC6	<b>0.762</b>	0.426	0.467
OCA1	0.347	<b>0.710</b>	0.523
OCA3	0.413	<b>0.708</b>	0.515
OCA7	0.438	<b>0.716</b>	0.579
OCC8	0.432	<b>0.776</b>	0.584
OCI1	0.486	<b>0.767</b>	0.609
OCI3	0.435	<b>0.773</b>	0.582
OCI4	0.467	<b>0.775</b>	0.580
OCI5	0.421	<b>0.703</b>	0.534
OCI8	0.475	<b>0.755</b>	0.588
OCI9	0.309	<b>0.712</b>	0.477
OPC2	0.432	0.560	<b>0.706</b>
OPC3	0.420	0.590	<b>0.719</b>
OPC6	0.487	0.548	<b>0.710</b>
OPF2	0.554	0.624	<b>0.752</b>
OPF3	0.479	0.585	<b>0.795</b>
OPF4	0.385	0.556	<b>0.762</b>
OPF5	0.417	0.590	<b>0.784</b>
OPI4	0.388	0.561	<b>0.717</b>
OPL1	0.498	0.616	<b>0.767</b>
OPL2	0.435	0.591	<b>0.765</b>
OPL3	0.482	0.610	<b>0.814</b>
OPL4	0.402	0.510	<b>0.780</b>
OPL5	0.444	0.557	<b>0.793</b>
OPL6	0.353	0.508	<b>0.701</b>
OPL7	0.480	0.492	<b>0.712</b>

The second criteria used to check discriminant validity is Average variance extracted. It is well known by the name after Fornell- larcker criteria. It is assumed that the square root of each latent variable AVE should be greater than its highest correlation with any other latent variables.

**Table 4. 15 Fornell-Larcker Discriminant validity Criterion**

Latent Variables	Employee Commitment	Organizational Culture	Organizational Performance
Employee Commitment	<b>0.773</b>		
Organizational Culture	0.576	<b>0.740</b>	
Organizational Performance	0.594	0.736	<b>0.753</b>

Source: Smart PLS Output (2020)

As shown in table 15 the square root of AVE of each latent variable is greater than the other latent variable. For example, the latent variable employees' commitment AVE is 0.597 that is indicated in table 15. Therefore, its square root 0.773 which is larger than the correlation values in the column of employees' commitment. Generally, the result indicated that discriminant validity is well established and pass the criteria to use the model.

#### 4.6.2 Assessment of Structural Model

The fulfillment of outer model criteria such as reliability and validity permits us to assess the structural model. In this analysis, the relationship between independent and dependent variables with its strength and impact would be evaluated. The strength of the structural model was evaluated by path coefficients. The higher the coefficients are the higher the strength of predictability of the relationships of the variables (Hair, et al, 2014). The coefficients expected to be ranged between -1 to +1. Path coefficients close to +1 indicated a strong positive and statistically significant relationship between independent and dependent variables. On the other hand, a coefficient close to -1 showed that the relationship of variables is strong negatively and statistically significant. In the other way, the low value close to zero portrayed that the relationship is weak and no statistically significant

**Table 4.16 Significance Testing Results of the Structural Model Path Coefficients**

Hypothesis	Path	Path coefficients	t-Values	p- Values	Hypothesis
H <sub>1</sub>	OC -> OP	0.624	25.661	0.000	Accepted
H <sub>2</sub>	OC -> EC	0.565	9.761	0.000	Accepted
H <sub>3</sub>	EC -> OP	0.241	3.947	0.000	Accepted
H <sub>4</sub>	OC -> EC-> OP	0.136	3.409	0.001	Accepted

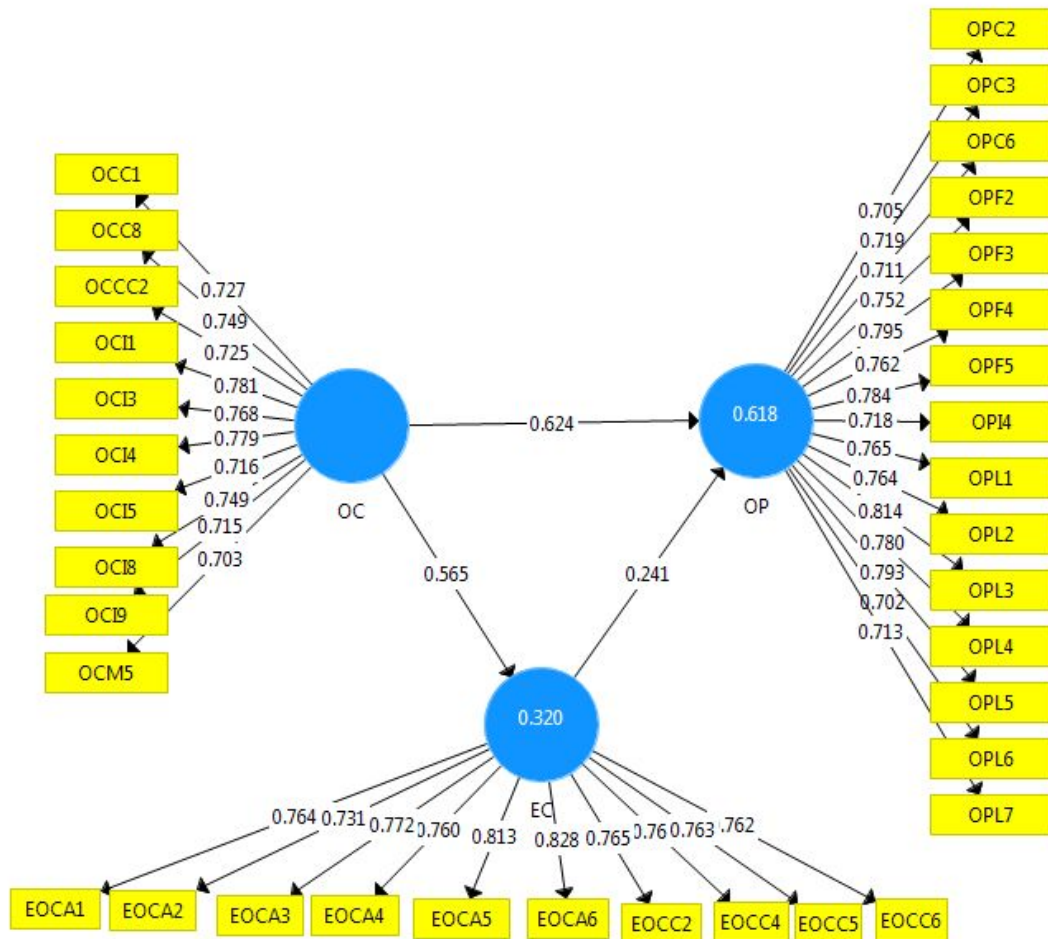
Source: Smart PLS Output (2020)

In Smart PLS, the relationship between latent variables determined by examining the path coefficients and t- values. As can be seen from table 16, the path coefficients are significant. The coefficient of organizational culture to organizational performance was 0.624. In addition, the coefficient of organizational culture to employees' organizational commitment was 0.565. All the t- values in the model are greater than 1.96 and p- values are also less than 0.05. These showed that all of the structural model relationships are statistically significant. In other words, the effect of the organizational culture of the university has a positive and statistically significant effect on the organizational performance of the university.

Table 16 also showed that organizational culture has a positive and statistically significant effect on employees' organizational commitments. Furthermore, employees' organizational commitments also have a positive and statistically significant effect on organizational performance. Finally, the relationship between organizational culture and organizational performance in which there is direct, indirect, and total effect. The total effect is calculated by the summations of direct (0.624) and indirect (0.136) effect of the specified model. Hence the total effect was 0.760. The direct effect has more effect than indirect on the relationship between organizational culture and organizational performance.

Generally, the hypothesis that was proposed prior to the relationship among latent variables were accepted. The effect of organizational culture on organizational performance is statistically significant. The relationship and its effect on the aforementioned latent variables were also examined by Nik Pour (2017). The finding portrayed that the model had an appropriate fit and organizational culture had a direct and indirect effect. The mediation of employee's organizational commitment between organizational culture and organizational performance was significantly higher than the direct effect. NikPour's (2017) finding was contrary to this research finding. In this research, the direct effect (organizational culture) has a significantly higher effect on organization performance than the indirect effect. The difference of those finding may indicate the difference of organization culture from organization to organization.

**Figure 4.9 Path Analysis and R Square of the Model**



Source: Smart PLS Output, 2020

The model indicated that the relationship between organizational culture (OC), employee commitment (EC), and organizational performance (OP). The numbers found in the circle indicated the result of R square. The number indicated between circles (latent variables) is the path coefficient of the model. Finally, the numbers found in the outer model indicated the outer load of indicators.

**Table 4.17 Results of Coefficient of Determination (R<sup>2</sup>)**

Latent Variable	R Square	R Square Adjusted
EC	0.320	0.316
OP	0.618	0.614

Source: Smart PLS Output, 2020

A coefficient of determination is one of the significant elements that need to be evaluated in the structural model. R Square and adjusted R square are almost the same in this study. According to Cohen (1988), a model can be assessed as substantial if R square is equal or more than 0.26, moderate if R square more than 0.13, and weak if R square equals or less than 0.02. The PLS Path model estimation of table 17 showed that the overall R Square showed that substantial.

As can be seen from table 17, 61.8 percent of organizational performance was explained by the joint effect of organizational culture, and employees' organizational commitments. The model also showed that 32 percent of the variation in employees' organizational commitment was explained by the organizational culture of the university. Generally, the effects of organizational culture and employees' commitment individually and jointly have a substantial effect on the organizational performance of the university.

**Predictive relevance (Q<sup>2</sup>)**

It is an assessment of Stone-Geisser's predictive relevance (Q<sup>2</sup>) in the latent variables. It checks whether the measurement model of an endogenous construct in reflective indicators are predicted accurately or not. It needs the checking of the blindfolding procedure in Smart PLS. Employee commitment (EC) and organizational performance (OP) is the two endogenous constructs in the model. Table 18 showed the results of blindfolding.

**Table 18. Results of coefficients of determination (R<sup>2</sup>) and Predictive Relevance (Q<sup>2</sup>)**

Endogenous Latent variables	R <sup>2</sup>	Q <sup>2</sup>
Employees Commitment	0.320	0.186
Organizational Performance	0.618	0.339

Source: Smart PLS Output, 2020

The criteria for predictive relevance of the model is that if the results of the blindfolding of Q<sup>2</sup> is greater than zero, the endogenous latent variable has good predictive relevance (Chin,1998). Therefore, the results of predictive relevance in table 18 portrayed that endogenous latent variables have strong predictive relevance.

**Effective size**

Smart PLS can assess the effect of specific exogenous constructs on the endogenous construct if the exogenous variables are deleted from the model. The effect size can be generated from the coefficient of determination (R<sup>2</sup>) and Predictive Relevance (Q<sup>2</sup>). The effect sizes of f<sup>2</sup> and q<sup>2</sup> are

derived from  $(R^2)$  and  $Q^2$  respectively. The effect size of  $f^2$  can be calculated as  $f^2 = (R^2 \text{ included} - R^2 \text{ excluded}) / (1 - R^2 \text{ excluded})$ . The effective size of  $q^2$  has also been calculated with the formula of  $q^2 = (Q^2 \text{ included} - Q^2 \text{ excluded}) / (1 - Q^2 \text{ excluded})$ . The results of the calculation have shown in table 19.

**Table 4. 19 the Results of  $f^2$  and  $q^2$  Effective Size**

Latent Variables	Path Coefficients	Employees Commitment		Organizational performance	
		$f^2$ effective size	$q^2$ effective size	$f^2$ effective size	$q^2$ effective size
Organizational culture	0.624	0.470	Not available	0.693	0.182
Employees Commitment	0.241	Not available	Not available	0.103	0.031

Source: Smart PLS Output (2020)

The results of table 19 showed that the effective size  $f^2$  of organizational culture on employees' commitment and organizational culture on organizational performance were 0.470 and 0.693 respectively. In the same line, the effective size of employees' commitment on organizational performance was 0.103. On the other hand, the effective size  $q^2$  of organizational culture on organizational performance and employees' commitment to organizational performance was 0.182 and 0.031 respectively. The results of effective size showed that the effect of exogenous variables on endogenous are ranging from medium to high. According to Cohan (1988), the value of effective size 0.02, 0.15, and 0.35 are interpreted as small, medium, and large

## Chapter Five

### 5. Summary, Conclusions, and Recommendations

This chapter of the study comprises summaries, conclusions, and recommendations. The summary part of this study focused on the main findings. The conclusions part of the study also aimed at illustrating the implications that the results portrayed. Finally, the recommendation part tried to show suggestions to concerned bodies to solve and minimize the problems they face.

#### 5.1 Summary of the Study

The main objective of the study was to examine organizational culture and its effects on organizational-culture in Ethiopian Civil Service University with the mediating role of employee organizational commitment. To achieve the purpose of the study the following hypothesis developed.

H1: Organizational culture of Ethiopian Civil Service University has a positive and significant effect on the organizational performance of the university.

H2: Employee's organizational commitment to Ethiopian Civil Service University has a positive and significant effect on the organizational performance of the university.

H3: Organizational culture of ECSU has a positive and significant effect on Organizational employees' commitment to Ethiopian Civil Service University

H4: Organizational employees commitment mediate the relationship between organizational culture and performance of Ethiopian Civil Service University

The target population of the study was employees of Ethiopian Civil Service University. The university has academic and administrative staff employees. The total population in this study was 250 academics and 257 support service workers in the university. To select the sample population, Kothari (2004) sample determination formula was used. Hence, 219 respondents were selected for the study. To keep the proportion of respondents from each category stratified sampling technique used. To this end, a sample of 110 academics, and 114 administrative staff were selected. To gather relevant data survey questionnaire was used. A five option Likert scale questionnaire developed. To analyze the collected data, descriptive statistics and structural equation modeling were used. Generally, the followings were the finding of the study.

The participation of employees in their issue & the presence of clear mechanisms to happen was low. Delegation of authority to the university employees to act on their own was low. The employees disagree that decisions at ECSU are made at the levels where the right information is available. The overall mean of employee participation in the university (mean of 3.12) was also low. It implied that respondents were dissatisfied with organizational culture attributes of employee involvement.

The respondents of the study rated on the consistency attribute of the organizational culture of the university were low. To cite some of them, the managers of ECSU did not practice what they are preaching. The approach to do business and the set of values that govern the university is inconsistent. The adaptability attributes of the organizational culture of ECSU are rated low by the respondents. ECSU respondents believed that innovation did not encourage at the university; however, the respondents have a positive rating on the university to understand the needs of customers and learning as a significant objective in the day-to-day work of the university (with a mean value of 3.52). Furthermore, items such as inputs of customers directly influence university decisions had got moderate agreement from the respondents.

The organizational culture attributes of the mission have got a moderate rating from the respondents (mean value 3.71). Besides, they also agreed that the university has a strategic direction that was clear to them. Moreover, the respondents moderately agreed on the presence of long-term purposes, and directions of the university with a mean value were 3.55. On the contrary, respondents believed that the university did not create excitement and motivation for employees (mean of 2.77).

Generally, the overall mean of organizational culture attributes of the mission was low (mean of 3.28). The grand-mean of all organizational culture attribute components (employee involvement, consistency, adaptability, and mission of the organization) was 3.15. This result was below the mean point of 3.40 that portrayed, the practice of organizational culture in the university was not appropriate to the respondents.

Respondents also rated a low rating on the affective commitments of employees. They were not comfortable staying in the organization due to a lack of compatibility of individual values with organizational goals. Furthermore, employees lack moral obligation and loyalty to work in the university. In the same vein, employees had the interest to leave their organization and join

other organizations if they get the advantage. They also believed that the university did not deserve their loyalty.

The continuance aspect of organizational commitment of employees was also low. It was not very hard for respondents to leave their job right now if they wanted to do. Furthermore, if the employees leave university, too much of their life would not be disturbed. Similarly, right now, staying with their job at ECSU is a matter of necessity as much as desires were low. Generally, the overall mean of organizational commitment employees (affective, normative, and continuance) have been a mean of 3.03. It implied that respondents did not believe that ECSU employees did not commit themselves to their organization.

Respondents also rated on the organizational performance of the university. The moderate positive rating of respondents was on students get respect from the academic and administrative staff in the university (3.52), and the university offers services for students & trainees in the shortest possible time (3.50). In contrast, the first three disagreements on their rank include, ECSU employees are satisfied by their organization performance (1st), ECSU Students have a good image of their university (2nd), and the university serves the community effectively through research & consultation (3rd).

Respondents moderately rated on the university that offers several new services such as new courses, programs, curriculum & training (3.53). On the contrary, respondents indicated that communication in various levels of a university was not smooth and productive, the university facilities were not in proportion to the number of students & trainees, and the university deploys academic staff not based on its standards.

Respondents have also rated the first three top dissatisfactions on the learning and growth perspective of the university. The first was top management unable to encourage staff to receive awards, such as patents, excellence awards. The second discontent was top management unable to deal seriously with the staff suggestions. And the last was top management has limited contribution and involvement to capacitate all the staff to develop competencies. The average mean of learning and growth items was 2.92. It portrayed that the respondents were dissatisfied with the learning and growth perspective of the university. Concerning the financial aspects of the university, the respondents rated low. The first three low rating includes top management unable to encourage staff and students to get annual grants (1st), investment in human resources

was not a priority for the university (2nd), and the university did not encourage more efficient use of financial resources (3rd). Generally, the grand mean of organizational performance (customer, internal process, learning and growth, and financial-perspective) of the university was a mean 3. The data indicated that respondents were dissatisfied with the organizational performance practice of the university.

The result of hypothesis testing in structural equation modeling portrayed that the effect of organizational culture on organizational performance of the Ethiopian Civil Service University was positive and statistically significant. Besides, the cultures of the university have a positive and statistically significant effect on the organizational commitment of employees. Furthermore, the organizational commitment of employees also has a positive and statistically significant impact on the organizational performance of the university.

The overall effect of organizational culture and employee organizational commitment jointly explain 61.8 percent of organizational performance. Besides, the culture of the university explained 32 percent of academic and administrative staff commitments for their organization. Generally, the effects of organizational culture and organizational commitment of employees of the university individually and jointly had a substantial impact on the organizational performance of the university.

## **5.2 Conclusions**

The overall mean of employee involvement in organizational culture attributes of the university had a mean of 3.12. This result indicated that respondents were dissatisfied with their limited participation in their organization. Hence, it is difficult for the university to achieve its desired goals without the proper involvement of the respective employees. The consistency attribute of the organizational culture of the university has a mean of 2.95. The data indicated that the rating by the respondents was low. The university is in-consistent in approach to do business and the set of values that govern.

The adaptability attributes of the organizational culture of ECSU was rated by the respondents with a mean value of 3.23. The mean showed that the university lack energy and commitment to accommodate changes raised from the internal and external environment. The situation might be a manifestation of the inability to encourage innovation by mobilizing the employees in the organization.

The respondents rated organizational culture attributes of the mission with a mean value of 3.71. It was a moderate rating by respondents. They also have a positive rating on the clarity of strategy and the presence of long-term purposes and direction of the university (mean value of 3.55), while, the mean of creating excitement, and motivation by the university to the employees was 2.77. The data indicated that the university was unable to make excitement and motivate employees properly to achieve the desired mission of the organization.

Generally, the overall mean of organizational culture attributes of the mission was 3.28. The result indicated that the level of mission-oriented practice in the university was low. Besides, the grand mean for all organizational culture attribute components (employee involvement, consistency, adaptability, and mission) was 3.15. The result portrayed that the practice of university culture was not appropriate to the respondents.

The affective commitment of the respondents of the university had a mean of 3.12. The result indicated that low. Employees were not comfortable to stay in the organization due to a lack of compatibility of individual values with organizational goals. The overall mean of the normative commitment of respondents was 2.94. The data indicated that employees lack moral obligation and loyalty to stay in the university. The situation leads employees to join another organization if they get the advantage.

The continuance aspect of the organizational commitments of an employee was rated a mean of 3.02 by the respondents. The result portrayed that respondents had low ratings. It further indicated that the associated cost to leave the university is low. It is possible to conclude that employees are waiting to quit the organization at a minimum cost if they come across other organization jobs. The grand mean of organizational employee commitment components (affective, normative, and continuance) was a mean of 3.03. It indicated that the organizational commitment of employees was low. It is impossible to expect a tremendous endeavor from the employees to achieve organizational goals with low commitment.

Respondents of the university rated that students get respect from the academic and administrative staff in the university with a mean of 3.52. They also believed that the university offers services for students & trainees in the shortest possible time (mean of 3.50). These

showed that respondents rated a moderate rating of such university performance. On the contrary, respondents rated their dissatisfaction with the three aspects of customer perspective performance. These included respondents believed that the performance of their organization was low, students do not have a positive image of their university, and the university did not serve the community effectively through research and consultation. If such things happen, it is difficult for the organization to sustain to accomplish its mandate.

Respondents rated the university course delivery that it offers several new services such as new courses, program, curriculum & training (mean of 3.53). The result indicated that the rating was moderate. On the other hand, a respondent rated with a mean of 2.99 on communication in various levels of a university was not smooth and productive. It showed that proper communication in an organization hierarchy was problematic. The respondents rated that top management of the university unable to encourage staff to receive awards such as patents, excellence awards. The top-level management of the university also unable to deal seriously with the academic and administrative staff suggestions, and has limited contribution and involvement to capacitate all the employees to develop their competencies. Hence, it is possible to conclude that the relationship between top-level management and employees might not have the initiative to go forward with innovation and creativity.

The overall mean of learning and growth items was 2.92. It portrayed that the respondents were dissatisfied with the learning and growth perspective of the university. Concerning the financial perspective of the university, respondents' mean of the rating was 2.99. The result indicated that respondents were not dissatisfied with the financial perspective of the university. The top management of the university unable to encourage staff and students to get annual grants, investment in human resources was not a priority for the university, and the university did not encourage more efficient use of financial resources.

The effect of organizational culture on organizational performance was positive and statistically significant. It implied that to raise the performance of an organization, it is necessary to improve the organizational culture of the university. The organizational-culture of the university had a positive and statistically significant effect on employees' organizational commitments. It is possible to conclude that to raise the organizational commitment of employees, it is also necessary to work and lay a foundation on the culture of the university.

The joint effect of organizational culture and employee organizational commitments explained 61.8 percent of the organizational performance of the university. The data implied that organizational culture and employee organizational commitments explained the majority organizational performance of the university. Generally, the effects of organizational culture and employees' commitment individually and jointly have a substantial impact on the organizational performance of the university. In nutshell, if the university wants to boost its performance, it is significant to work on both organizational culture and organizational employee's commitment.

### **5.3 Recommendations**

- ❖ Respondents were dissatisfied by their participation in their organization. Hence, the university better to design a genuine not symbolic mechanism to participate in employees on their and organization affairs.
- ❖ The university is inconsistent in approach to do business and the set of values that govern. The university should establish a consistent approach to do business and respect the expected university values with accountability and transparency
- ❖ The university has a low tendency to accommodate changes. Changes are inevitable in the contemporary world. Hence, the top-level management with the Board of the university should entertain the internal and external environment pressure by designing a mechanism that encourages the employees of the university.
- ❖ The motivation of the university to encourage innovation was low. Hence, the university needs to mobilize its employees towards innovation by benchmarking other similar universities.
- ❖ The university was unable to create excitement and motivate employees properly to achieve its desired goals. The university is expected to encourage employees with financial and non-financial rewards from internal and external financial sources.
- ❖ v The grand mean for all organizational culture attribute components (employee involvement, consistency, adaptability, and mission) was below expected. The university should revisit the way, values, norms of the organization by full commitment to entertain the desired culture.
- ❖ Employees lack moral obligation and loyalty to stay in the university. The situation leads employees to join another organization if they get the advantage. Hence, the

university with its employees should find the major causes of lower morale and intention of leaving their organization, and take remedial actions.

- ❖ The associated cost of employees to leave Ethiopian Civil Service University was low. The university should increase the cost of leaving university employees by providing further education by developing various schemes that benefit employees.
- ❖ Respondents believed that ECSU students do not have a positive image of their university. The university should identify the reasons why students lack a positive attitude toward the university and act on the same. It needs to create awareness for the students to change their negative attitudes. Furthermore, it is necessary to establish alumni of the students to understand the problems of the university and students.
- ❖ The university did not serve the community effectively through research & consultation. The university needs to identify the main problems associated with community service and take remedial action based on the finding.
- ❖ v Respondents rated positively on the university currently offered courses and new services such as program, curriculum & training. The university should maintain such types of course delivery by entertaining the needs of customers.
- ❖ Respondents believed that communication in various levels of a university was not smooth and productive. The university should establish and maintain proper academic culture communication channels with accountability and transparency.
- ❖ v Respondents perceived that top management unable to deal seriously with the staff suggestions. The university management should exercise and permit academic autonomy to the academics staff with accountability and transparency. The university staff expected to exercise their rights based on the proclamation of Civil Service and Higher Education. Furthermore, the assignment of a top-level management position in the university based on merit rather than political anointment.
- ❖ Respondents dissatisfied by top management that they were unable to encourage staff and students to get annual grants. The university should find finance from internal and external sources to make employees and students benefited from the grant by conducting research
- ❖ The effect of organizational culture has a positive and statistically significant impact on organizational performance. The university should work on the cultures of the

organization such as employee involvement, adaptability, consistency, and mission of the organization to enhance its organizational performance.

- ❖ Organizational culture has also a positive and statistically significant effect on employees' commitments. ECSU should work on organizational culture to boost the commitment of the employee.
- ❖ The joint effect of organizational culture and employee organizational commitments explained 61.8 percent of organizational performance of the university. Hence, the university should work on both cultures of the organization and employee commitment to enhancing university performance.

### **5.3.1 Recommendation for Further Research**

First, there is limited research conducted on the mediating role of employee's organizational commitment between the relationship between organizational culture and organizational performance. This limitation is more pronounced in the context of developing nations in general and in Ethiopia in particular. The recommendation forwarded in this study is used for Ethiopian Civil Service University. Therefore, it is necessary to conduct further research in different organizations to broaden research in various contexts.

Secondly, there are different models and frameworks of organizational culture used to examine the relationship of organizational culture with organizational performance. Such models include Edger Schein, Robert Cooke's, Hofstede's cultural dimensions, Denison, and Kim Cameron and Robert Quinn models. This research used the Denison model to estimate the effect of organizational culture on organizational performance besides, further research on the same organization using different models to get a deep understanding and to check whether the result is consistent or not.

Finally, the relationship between organizational culture and organizational performance is not only affected by employee commitment but also by other variables. These may include leadership, innovation, job satisfaction, quality management practice, and knowledge management. The variables affect the relationship between organizational culture and organizational performance as mediating and moderating variables that need further studies to get a deep understanding of the subject.

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## Annex 1

### Addis Ababa University

#### School of Graduate Studies, College of Business and Economics

#### Department of Public Management

Questionnaire for Ethiopian Civil Service University Employees

Dear Respondent

I am Aleazar Ali conducting research on “organizational culture and its effect on organizational performance of Ethiopian Civil Service University with the mediating role of employee organizational commitment. The main objective of the research is to examine the direct and indirect effect of organizational culture on organizational performance of Ethiopian Civil Service University. The data to be gathered will be used in writing my masters degree thesis. The success of this study however depending on your genuine responses. So you are kindly requested to fill the questionnaire. There is no right or wrong answers and what is required is to give your idea about level of personal opinion to each item. All your answer to the questions will be kept strictly confidential, you as individual will not be identified, and you do not need to write your name.

**Thank you for your cooperation in Advance!**

**Part I:** The following statements are regarding your personal information. Please indicate by putting tick mark (✓) in the box in front of each variable in the optional items.

**Table 1 Demographic Information**

Sex	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>			
Your staffs	Academic	<input type="checkbox"/>	Administrative	<input type="checkbox"/>			
Educational level	BA/BSC	<input type="checkbox"/>	MA/MAS	<input type="checkbox"/>	PhD	<input type="checkbox"/>	
Service at ECSU in a year	<1	<input type="checkbox"/>	1-5	<input type="checkbox"/>	6-10	<input type="checkbox"/>	>10

**Part II:** The following table describes statements under each of the basic dimensions of organizational culture (i.e. Employees involvement, consistency, adaptability and mission of organization). There are five options beside each statement listed. Therefore, you are kindly requested to put “√” under the value that describes your opinion. The choices are ranged from strongly disagree to strongly agree. Rate 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree

<b>Key: 1=Strongly Disagree 2= Disagree 3= Neutral 4=Agree 5=Strongly Agree</b>	<b>Rating</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>I. Employees Involvement</b>					
Decisions in ECSU are made at the levels where right information is available					
ECSU employees believe that they can have a positive impact to their organization					
Employees of ECSU participate on their issue & there is clear mechanisms to happen such participation					
Cooperation across different parts of the organization is encouraged in ECSU					
Teamwork in ECSU is used to get work done, rather than hierarchy					
ECSU employees work like they are part of a team					
There is a continuous investment to develop the skills of employees					
The capabilities of employees are viewed as an important source of competitive advantage					
Authority is delegated in the university so that employees can act on their own					
<b>II. Consistency</b>					
Managers of ECSU practice what they are preaching					
There is a consistent set of values that govern the way of ECSU					
There is an ethical code that guides employees behavior and tells right from wrong					
When disagreements occur in ECSU, employee work hard to achieve a "win-win" solutions					
There is a clear agreement among employees regarding the right way & the wrong way to do things in the ECSU					
It is possible to reach consensus in ECSU, even on conflicting issues					
Employees from different parts of the ECSU share a common perspective					
It is easy to coordinate projects across different parts of the ECSU					
The approach to do business is very consistent in the university					
<b>III. Adaptability</b>					
Improved ways to do work are continually adapted					
Different parts of the organization cooperate to create change					
ECSU respond to both internal and external changes in the business environment					
Customers comment leads to changes and influences decision making					
Employees of ECUS understand customers needs					
Customers inputs directly influences company's decisions					
Innovation is encouraged at ECSU					
Learning is an important objective in a day-to-day work of the company					
ECSU view failures as an opportunity for learning and improvement					
<b>IV. Mission</b>					
ECSU has a clear mission that gives meaning and direction					
ECSU strategic direction is clear to me					
There is a long-term purpose and direction of the ECSU					
Leaders set goals that are ambitious, but realistic					

ECSU continuously track its progress against the stated goals					
There is widespread agreement about the goals of the ECSU					
Employees have a shared vision of what the organization will look like in the future					
ECSU creates excitement and motivation for employees					

If you have any comment on organizational culture of the university, please write it in the blank space

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**Part III:** The following table describes statements about the basic dimensions of employees' organizational commitment (i.e. affective, continual and normative commitment). There are five options beside each statement listed. Therefore, you are kindly requested to put “√” under the option that describes your opinion.

**Employees' Organizational Commitment**

Key: 1=Strongly Disagree 2= Disagree 3= Neutral 4=Agree 5=Strongly Agree	Rating				
	1	2	3	4	5
<b>I. Affective commitment</b>					
I would be very happy to spend the rest of my career at ECSU					
I really feel as if this organization's problems are my own					
I feel ECSU as part of my family					
I am emotionally attached to ECSU					
ECSU has a great deal of personal meaning for me					
I feel a strong sense of belonging to ECSU					
<b>II. Normative Commitment</b>					
I feel as obligation to stay with ECSU					
Even if it is my advantage to join other organization , I feel it would be right to stay at ECSU					
I would feel guilty if I left ECSU now					
This organization deserves my loyalty					
I would stay my organization right now because of my sense of obligation to it					
I owe a great deal to ECSU					
<b>III. Continuance Organizational Commitment</b>					
It would be very hard for me to leave my job at ECSU right now even if I wanted to					
Too much of my life would be disrupted if I leave my ECSU					
Right now, staying with my job at ECSU is a matter of necessity as much as desire					
I believe I have too few options to consider leaving ECSU					
One of the few negative consequences of leaving my job at ECSU would be the scarcity of available alternative elsewhere					
One of the major reasons I continue to work at ECSU is that leaving would require considerable personal sacrifice					

If you have any comment please write it in the blank space

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**Part IV:** The following table describes statements regarding ECSU performance attributes that can be measured by balanced scorecard perspectives (customer, internal process, learning & growth, and Financial Perspectives). There are five options beside each statement listed. Therefore, you are kindly requested to put “√” under the option that describes your opinion based on the key given in the table.

**Organizational Performance**

<b>Key: 1=Strongly Disagree 2= Disagree 3= Neutral 4=Agree 5=Strongly Agree</b>	<b>Rating</b>				
<b>I. Customer Perspective</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The university conducts an annual survey to examine student level of satisfaction					
The university uses students feedback to improve performance					
ECSU employees are satisfied by their organization performance					
Students get respect from the academic and administrative staff in the university					
The university offers services for students & trainees in the shortest possible time.					
The university is enthusiastic to provide high-quality services					
ECSU Students have a good image on ECSU					
The university-trained highly qualified students who could contribute to society					
The university serves the community effectively through research & consultation					
<b>II. Internal Process Perspective</b>					
The ECSU offers several new service such as new courses, program, curriculum & training					
The university provides an acceptable ratio of academic staff to students.					
The ECSU offers all the facilities as required in proportion to the number of students& trainees.					
Communication in various levels of a university is smooth and productive					
The university deploys academic staffs based on university standards					
<b>III. Learning and Growth Perspective</b>					
Top management encourages staff to receive awards such as patents, excellence awards					
Top management dealing seriously with the staff suggestions					
Top management is enthusiastic in adapting to new technology and new ideas.					
Top management contributes to the involvement of all the staff to develop competencies.					
Top management encourages academic staff to increase research productivity.					
Academic excellence is top management objective (through an increasing publish articles in journals, scientific conferences, and scientific awards)					
Top management creates a mechanism to provide short term training for the staffs					
Top management creates an opportunity of long term training for the staff to increase their rank					
<b>IV. Financial Perspective</b>					
The university gets an increase in the funding rate from time to time					
Investment in human resources is a priority for the university					
Top management encourages staff and students to get annual grants.					
Most of the financial resources are deployed for the core process (teaching & learning) of ECSU					
The university encourages more efficient use of financial resources					

If you have any comment please write it in the blank space

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## **Annex 2**

### **Interview Guide for Key Informants**

This interview guide has been designed to collect data on “The effect of organizational culture on organizational performance in Ethiopian Civil Service University with the mediating role of employees’ organizational commitment. The researcher is a second Degree student of Public Management and policy analysis at Addis Ababa University. The purpose of this interview is for the academic fulfillment at the second degree level and you will be treated with confidentiality.

Thank you

1. To what extent are organizational culture practiced in your organization?
  - ❖ Employees involvement
  - ❖ Organization consistency
  - ❖ Organization adaptability and
  - ❖ Organization mission
2. If you believe that your organization practice organizational culture is good/bad what are the major reasons?
3. Do you believe that your organization employees are committed to their work?
  - ❖ Affective commitment
  - ❖ Normative commitment
  - ❖ continuance commitment
4. If you believe that there is Employees organizational commitment or lack commitment in your organization, why is so?
5. How do you evaluate the Balanced Scorecard practice of measuring organization performance?
  - ❖ Customer satisfaction
  - ❖ Internal process
  - ❖ Learning and growth
  - ❖ Budget use
6. If your organization performance practice is good/bad what are the major reasons behind that?