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THE EFFECT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE: IN CASE OF COOPERATIVE BANK OF OROMIA S.C

BY: NAHOM KEBEDE

A RESEARCH PROJECT SUBMITTED TO ADDIS ABABA UNIVERSITY, SCHOOL OF COMMERCE IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS LEADERSHIP

ADVISOR: SOLOMON MARKOS (Ph.D.)

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Statement of Declaration

I, Nahom Kebede Gemede, have carried out a Research project titled "The Effect of Organizational Culture on Organizational Performance: In the Case of Cooperative Bank of Oromia" independently in partial fulfillment of the requirements for the Master of Degree in Business Leadership with close advice, support and, guidance of my advisor at Addis Ababa University's College of Business and Economics school of Commerce.

I assure that this research project is my own original work and has not been submitted for any degree, diploma or others in this or any other universities. All source materials used in this thesis have been appropriately acknowledged.

Declared by:

Name: Nahom Kebede Gemede

ID NO: GSE/4041/13

Signature: ______________

Date: _____________________

Confirmed by:

Name: Solomon Markos (PhD),

Research Advisor

Signature: ________________

Date: ____________________

Statement of Certification

This is to certify that the research project work submitted by Nahom Kebede Gemede, titled "The Effect of Organizational Culture on Organizational Performance: In the Case of Cooperative Bank of Oromia" and submitted in partial fulfillment of the requirements for the Master of Degree in Business Leadership is his original work and is fit for the submission of the award of Master of Degree in Business Leadership.

Signed by Examining Committee:

Advisor: Solomon Markos (Ph.D.) Signature: _____________ Date: ______________

Internal Examiner: Fesseha Afework (Asst. Prof) Signature: _____________Date: ___________

External Examiner: Seifu (Ph.D.) Signature: _____________ Date: ______________

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Table of Contents

List of Figures

List of Tables

Abstract

This study is aimed at investigating the effect of organizational culture on organizational performance in Cooperative Bank of Oromia. Denison's Model was used to visualize the four components of organizational culture: Mission, Consistency, Adaptability, and Involvement. The study was also determined the extent to which organizational culture influences Cooperative Bank of Oromia's performance through BSC measurement. The study was delimited to area sampling and the proportionate stratified sampling techniques. Quantitative data was collected using self-administered questionnaire which are developed and distributed to a sample size of 265 employees. With a response rate of 82.26%, 218 questionnaires are returned and were used for data analysis. Based on research objectives and questions, quantitative research approach was adopted and explanatory research design were employed. The findings of the study have shown that organizational culture with three dimensions (i.e. Mission, Adaptability and Involvement) has positive and significant effect on organizational performance, while Consistency dimension of the organizational culture has negative relationship and no significant effect on organizational performance. The result of multiple regression analysis has shown that organizational culture has positively and significantly predicted organizational performance with the coefficient of determination (R-Square) of 0.581 which means 58.1%. The researcher recommended that the bank should work on creating and maintaining the right organizational culture to enhance its performance.

Keywords: Organizational Culture, Organizational Performance.

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

In today's globalized business environment, organizational culture has become a critical factor for organizations to develop and sustain their competitiveness. The idea that high-performance firms have a distinct "strong culture" was first introduced by Peters and Waterman in 1982. Since then, the link between organizational culture and performance has been widely studied, with recent research suggesting that a strong culture can positively impact organizational performance (Cameron & Quinn, 2011). Accordingly, the purpose of this research project is to assess the effect of organizational culture on organizational performance in the case of Cooperative Bank of Oromia S.C (Coopbank).

Organizational culture is defined as the shared vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits among all members of an organization (Needle, 2004). It also includes member expectations, experiences, philosophy, and values, which are expressed in member self-image, inner workings, and interactions with those outside the organization. According to Deal and Kennedy (2000), organizational culture is simply the way things are done in the organization. It is a set of shared assumptions that guide organizational behavior by defining appropriate behavior in different situations (Ravasi & Schultz, 2006).

Gallagher and Brown (2007) have emphasized the importance of organizational culture, stating that it influences every area of a company's work. They argue that a company's culture is the core of what the company is like, how it operates, what it focuses on, and how it treats customers, employees, and shareholders. Recent research suggests that organizational culture is not just an important factor for organizations, but the central driver of superior business performance (Cameron & Quinn, 2011).

According to Stewart (2010), the invisible norms of an organization play a crucial role in increasing the profits and productivity of its employees. Peters and Waterman (1999) also emphasized the importance of corporate culture, stating that it is an essential quality of excellent organizations. Boisnier and Chatman (2002) defined organizational subcultures as groups with shared norms or beliefs.

Denison (1984) conducted a five-year study on cultural performance in 34 American firms to investigate the relationship between organizational culture and performance over time. In addition, Kotter and Heskett (1992) examined the relationship between long-term organizational performance and economic performance across more than 200 organizations. These studies contributed to establishing a link between organizational culture and performance, highlighting strong associations between culture, management practices, and overall performance.

According to Saffold (1998), culture plays a role in shaping organizational processes, which, in turn, contribute to the creation and modification of culture itself. Furthermore, it is widely suggested by successful managers and practitioners that a strong organizational culture is a critical element for achieving high performance.

Selvalakshmi and Guru (2017) emphasize the significant contribution of organizational culture to organizational performance. They argue that organizational culture is closely tied to social control, influencing employee decision-making and behavior within the organization. Moreover, organizational culture acts as a social glue that fosters a sense of belonging among employees, attracting new talent and retaining top performers.

Finally, organizational culture assists in the sense-making process, helping employees understand organizational events and objectives. This enhances employee efficiency, effectiveness, and ultimately improves organizational performance (Selvalakshmi & Guru, 2017).

Considering the above all facts about organizational culture, organizational performance and performance measurement the researcher was try to assess if culture has a significant impact on the organizational performance of Cooperative Bank of Oromia S.C. And basically, this research project was also assessed to what extent culture affects organizational performance.

This research project tries to fill the gap of literature related to this topic by studying the situation at Cooperative Bank of Oromia S.C and provide additional empirical evidence that implies the impact of organizational culture on performance by investigating and measuring the possible relationships between the two variables for the study which are organizational culture and organizational performance.

1.2. Background of Cooperative Bank of Oromia S.C (Coopbank)

The Cooperative Bank of Oromia is a well-established private bank that has been serving its customer since march 2005. It began as a project office, but soon grew into a fully licensed commercial bank in October 2004 and commenced its operation in march 08, 2005, with the majority of its shareholders being cooperative societies. Over the past eighteen years, the bank has registered a significant growth in its paid-up capital and total assets, and has become a reliable and trustworthy institution that has earned public confidence and satisfaction.

One of the reasons for the bank's success is its valuable staff members, who have helped it to attract many professionals and large customers from all walks of life. Currently, the bank employs over 7,500 permanent staff members, excluding the security officers and cleaners who are outsourced. The bank also boasts an extensive network of 630 branches throughout the country, making it accessible to customers from all corners of Ethiopia.

The bank offers a variety of corporate and retail banking services, including current accounts, savings accounts, special savings accounts, fixed deposits, foreign currency accounts, loans, trade finance, forex, mobile banking, card banking, internet banking, and agent banking. In addition, the bank provides forex operations through its forex bureaus located at branches, and trade finance operations through Trade Service and its affiliates placed at the branches. Various credit services are also provided through the credit department at the head office and districts, which are also located outside Addis Ababa.

As with any organization, the bank has faced challenges such as management change, structure change, operation system changes, and culture change. To overcome these challenges, the bank has adopted a balanced scorecard (BSC) to measure employee performance in financial perspectives, customer perspectives, internal business perspectives, and learning and growth perspectives. However, the bank has yet to establish a clear measurement of its culture and the impact of culture on performance.

To ensure sustainable growth and maintain a competitive advantage, it is crucial for the bank to identify, establish, and maintain a better culture that can lead to better performance regardless of any change. This involves knowing and managing the effect of culture on performance, and taking steps to improve the bank's culture in areas such as involvement, consistency, adaptability, and mission culture. By doing so, the Cooperative Bank of Oromia can continue to provide excellent domestic and international banking services to its esteemed and valuable customers, while also serving all economic and services sectors through its ever-increasing network throughout Ethiopia.

1.3. 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 organization, the working culture of the organization should also serve as a competitive advantage for the firms by economic of scale and innovation (Pfeffer, 1994).

Organizational culture plays a crucial role in improving organizational performance by fostering employee cohesion, building trust, and aligning organizational strategies with objectives. However, a lack of understanding by organizational management regarding the impact of organizational culture on performance can result in poor management, inadequate leadership, and a failure to implement effective employee well-being initiatives (Omukaga, 2016).

The study conducted by Kamau (2019) had also aimed to explore the correlation between corporate culture and organizational performance, using Mayfair casino in Nairobi city, Kenya, as a case study. The research specifically focused on investigating the impact of four key components, namely, value, teamwork, employee involvement, and leadership, on organizational performance. These components were used as independent variables, serving as indicators of corporate culture, while the dependent variables, including efficiency, effectiveness, productiveness, and satisfaction, were employed as indicators of organizational performance.

The findings of Kamau's (2019) study revealed that organizational performance is significantly influenced by satisfaction, productiveness, and effectiveness. The research also established a strong positive correlation between corporate culture and organizational performance. To enhance organizational performance, the study recommended that corporate culture should be compatible and supportive of the organization's intended strategies and day-to-day employee activities. Similarly, Ahmed and Shafiq (2014) conducted a study on the same issue in the telecom industry of Pakistan, which concluded that all dimensions of organizational culture have a positive impact on different aspects of organizational performance in the telecom industry.

Hajima (2018) conducted a study to investigate the impact of organizational culture on employee performance at Addis Ababa Abattoirs enterprise, utilizing both quantitative and qualitative research methods to collect data. The study's results demonstrated a significant correlation between organizational culture and employee performance, with clan, adhocracy, market, and bureaucratic culture having a substantial effect on employee performance. The study revealed that market culture was the dominant culture within the enterprise. To optimize employee performance in the desired direction, the researcher recommended that the enterprise should prioritize employee empowerment and welfare.

Furthermore, after conducting informal interviews with the top and middle-level management of the bank, the researcher discovered that there is a lack of clearly defined information on the bank's culture and its level. Additionally, during times of management changes, there is no designated body responsible for managing the bank's culture, resulting in a bottom-up approach. This deficiency has resulted in the bank's lagging performance compared to its peers in the banking industry. Accordingly, the researcher believes and decided to study the effect of organizational culture on organizational performance.

The limited or inconclusive character of research findings in this area suggests the need to investigate further the nature of the relationship between organizational culture and organizational performance. This study is a step in this direction.

Therefore, the researcher investigated the effect of organizational culture on the organizational performance of Cooperative Bank of Oromia S.C. In line with this, the researcher forwarded recommendations on the type of organizational culture that leads to higher performance as well.

1.3.1. Basic Research Questions

In order to address the identified problem, the following basic research questions were developed by the researcher;

1. What does the organizational culture of Cooperative Bank of Oromia look like?
2. What is the nature of the relationship between organizational culture and performance?
3. How does the current culture of the Cooperative Bank of Oromia affect its performance?
4. Which organizational culture is more significantly affect the performance of Cooperative Bank of Oromia?

1.4. The objectives of the study

1.4.1. General Objective

The main objective of the study was to examine the effect of organizational culture on performance of Cooperative Bank of Oromia.

1.4.2. Specific Objectives

Specifically, the study is aimed;

1. To assess the existing organizational culture of Cooperative Bank of Oromia.
2. To investigate the relationship between organizational culture and organizational performance
3. To examine to what extent organizational culture affects the performance of Cooperative Bank of Oromia
4. To identify which organizational culture significantly affect the performance of Cooperative Bank of Oromia

1.5. Definition of Terms

In this section some of the key terms based on operational definition as follows:

Culture: Refers a group's social heritage, encompassing learned patterns of responses to challenges. It shapes perception, behavior, and values, transmitted to new members. It defines what is acceptable, important, and correct, influencing language, beliefs, norms, and knowledge.

Organizational culture: Refers to Shared values, beliefs, and behaviors shaping member behavior and interactions in organization. Its developed over time, influenced by collective experiences and expectations and defines how members perceive themselves, interact, and aspire for the future.

Performance: It is the process or action of performing a function or task.

Financial Performance: The process of measuring the results of a firm's policies and operations in monetary terms. These results are reflected in the firm's return on investment, return on assets, value added etc.

Source: (The Business Dictionary)

Organizational Performance – Koontz and Donnell (1993) stated that organization's performance is the achievement of goals in the form of quality product, high profit, huge market share, better financial outcomes and survival of an enterprise at determined time and adopting applicable strategy for action.

1.6. Significance of the study

The findings of the study are useful for banking sector, academicians, stakeholders, and researcher who are looking for the effect of organizational culture on organizational performance in banking sector context. Accordingly, the study was serving as an input for the companies in making decisions about identifying the key variables of organizational culture and understanding the effect of organizational culture on performance that can be used to achieve the organizational goals and objectives.

The study can also give the stakeholders in the area the opportunity to gain relevant information about the effect of organizational culture on organizational performance in the banking sector as well. Furthermore, the study also serves as a stepping-stone for academicians and practitioner who may be focusing on similar topics and issues, particularly on the organizational culture on bank's performance.

Finally, the findings of the study useful in stimulate research interests among academics, and students to further investigate in the area of organizational culture and performance in banking sector.

1.7. Delimitation/Scope of the Study

This study focused on Cooperative Bank of Oromia and discussed the relationship between organizational culture and organizational performance. The target population are both managerial and professional staff of the Bank at Head Office. Methodologically, by taking the research objectives and questions into considerations, quantitative research approach was adopted. The study was also employed explanatory research design.

The study was also considered that the concept of organizational culture and organizational performance are broad making it impossible to address all of its elements in the study and for the purpose of these study, the researcher was used Denison's model of Organizational Culture which consists four dimensions namely Mission, Consistency, Involvement and Adaptability and use BSC for the measurement of organizational performance.

As the sampling technique, the study was delimited to stratified proportionate sampling techniques. To conduct the study, primary data was used and in order to collect the data, self-administrated questionnaire was employed. The sample population of the study was taken from Cooperative Bank of Oromia head office Staff Managerial and Professional employees at head office whose number is 780 in total and with sample of 265.

1.8. Limitations of the Study

The first limitation of the study is the fact that since the study was conducted in the Bank context, it is difficult to generalize the findings of the study to other organizations and sectors. The other limitations of the study were the existence of limited empirical evidence on the subject matter. There are also other limitations of this study that which is the unwillingness of some respondents to fill the questionnaire and provided the researcher with the relevant information which limited the outcomes of the research. Since the study was made based on questionnaire was not certain to clearly reveal the real situations. The study was also only limited to consider the views and opinions of the bank's managers and professional regarding the subject matters.

The other major limitations encountered during this research project was the lack of readily available secondary data pertaining to the financial performance of the bank for all employees. The absence of comprehensive financial reports, balance sheets, income statements, and other relevant financial data restricted the respondent ability to analyze the bank's financial status objectively. So, to minimize this limitation the researcher was relayed on the perception of the respondents to collect information about the bank's financial performance introduced a potential limitation to the study. While the perceptions of the respondents provide valuable insights, they might not always align with the actual financial health of the bank.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Introduction

Under this chapter, issues regarding to organizational culture and performance which provides an insight into the area of the study was discussed. Also, the theoretical empirical and conceptual literature which focused on the research objectives reviewed as indicated hereunder.

2.2. Theoretical review

2.2.1. What is culture?

The word "culture" derives from a French term, which in turn derives from the Latin "colere," which means to tend to the earth and grow, or cultivation and nurture. 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.

Culture can direct and mold attitudes and behaviors by acting as a sense-making and power-gaining mechanism (Alvesson, 2002). It has also been defined as a group of ideals, principles, and conduct that set one organization apart from another (Ortega-Parra & Sastre-Castillo, 2013).

King (2012) defined organizational cultures as a system of values that subconsciously and silently drive people to make each choice and decision in the organization. Organizational culture includes the norms that the members of an organization experience and describe as their work settings (Schneider et al., 2013). Such norms shape how members behave and adapt to get results in the organization. It has been describing as how the members of an organization interact with each other and other stakeholders (Simoneaux & Stroud, 2014).

According to Claver et al. (2001), organizational culture can be defined as a collection of shared values, symbols, and rituals among members of a particular organization that delineates the manner in which the organization deals with both internal management issues and external stakeholders such as customers, suppliers, and the environment. Organizational culture consists of the values and assumptions shared within an organization. It defines what is important and unimportant in the company and, consequently, directs everyone in the organization toward the “right way” of doing things. organizational culture can be likened to the DNA of an organization - it cannot be seen with the naked eye, but it has a significant influence on what occurs within the workplace. In other words, just as DNA contains the genetic information that determines an individual's physical traits, organizational culture determines the values, beliefs, and behaviors of an organization McShane and Mary (2010).

According to Schein (2010), culture is best described as a collection of shared, fundamental assumptions that are learned by a group as they seek solutions to both external adaptation and internal integration issues. If these assumptions prove effective, they are considered valid and transmitted to new members as the correct way to perceive, think, and feel in relation to these problems.

Denison and Neale (2008) support Schein's definition, suggesting that organizational culture consists of underlying values, beliefs, and principles that form the foundation of an organization's management system. Additionally, it encompasses a set of management practices and behaviors that demonstrate and reinforce these basic principles, and these principles and practices hold significance for members of the organization.

2.2.2. Evolution of Organizational Culture Concept

In the late 1980s and early 1990s, scholars in management began to explore why American companies were failing to compete with their Japanese counterparts. National culture was not deemed sufficient to explain this phenomenon, so a new model was needed that could differentiate between organizations within a culture. This ultimately led to the concept of organizational culture, according to Schein (1990).

However, according to Brooks, the fascination with organizational culture actually began in the 1970s and early 1980s with the works of Peters and Waterman (1982), Deal and Kennedy (1982), and others. Jacques (1952, cited in Ojo, 2014) referred to the culture of a factory as "its customary and traditional way of thinking and of doing things which is shared and which new members must learn," and included behaviors, attitudes, customs, values, beliefs, and less conscious conventions and taboos in his definition of culture.

Baker (2002) explains that organizational culture became a business phenomenon in the early 1980s, sparked by the publication of four influential books, including Ouchi's (1981) Theory Z: How American Business Can Meet the Japanese Challenge, Pascale and Athos' (1982) The Art of

Japanese Management: Applications for American Executives, Deal and Kennedy's (1982) Corporate Cultures: The Rites and Rituals of Corporate Life, and Peters and Waterman's (1982) In Search of Excellence: Lessons from America's Best Run Companies. All of these books suggested that corporate culture was integral to organizational performance and could be managed to improve a company's competitive advantage.

2.2.3. Levels of Organizational Culture

Organizational culture is complex and multi-layered, with different elements varying in their visibility and resistance to change. Identifying the most important components of organizational culture can be challenging. To address this, Hofstede (1990) developed a hierarchical model of culture with four layers:

1. **Shared assumptions:** This represents the deepest level of culture and reflects basic beliefs about human nature that are often taken for granted and rarely questioned
2. **Cultural values:** This level represents collective beliefs, assumptions, and feelings about what is good, normal, rational, and valuable. These values can differ significantly across organizations
3. **Shared behaviors:** This level is more visible than values and easier to change. However, people may not be aware of the values that drive these behaviors.
4. **Cultural symbols:** This is the most superficial level of culture, consisting of words, gestures, and physical objects that carry meaning within a culture.

It's worth acknowledging that while there are other hierarchical models of culture, actual organizational cultures are more complex than these models suggest. They are not as straightforward or orderly as the models imply. Within an organization, there can be subcultures, as well as disagreements and counter-cultures, even when there is overall agreement about cultural values. Additionally, there may be a gap between the culture that an organization claims to have (i.e., espoused culture) and the culture that is actually practiced within the organization. (Burnes, 2004).

2.2.4. The Creation of Organizational Culture

According to Robbins (2001), organizational culture is not something that appears out of nowhere, and once established, it does not simply disappear. Rather, a company's customs, traditions, and way of doing things are largely influenced by its past experiences and level of success in those endeavors.

Robbins also highlights the significant impact that a company's founders have on its early culture. Founders have a vision of what they want the organization to become, and they are not constrained by prior customs or ideologies. The creation of organizational culture occurs in three ways:

1. First, founders selectively hire and retain employees who share their thoughts and emotions.
2. Second, founders indoctrinate and socialize these employees to their way of thinking and feeling.
3. Finally, the founder's own behavior serves as a role model, encouraging employees to identify with them and adopt their beliefs, values, and assumptions. As the organization achieves success, the founder's vision becomes the primary determinant of that success, and the founder's entire personality becomes embedded in the organization's culture.

Robbins (2001) further explains that culture is transmitted to employees in a number of forms, the most influential are stories, rituals, symbols, and languages.

2.2.4.1. Stories

Robbins (2001) highlights the importance of stories in transmitting an organization's culture. For example, at the Ford Motor Company, executives were reminded by the chairman, Henry Ford II, that "it's my name on that building" when they became too arrogant. This story conveyed the message that Henry Ford II was the one who ran the company. Employees learn about an organization's culture through stories shared by other employees or managers about how earlier managers or founders treated customers or handled difficult situations.

2.2.4.2. Rituals /ceremonies

Rituals are repetitive activities that express and reinforce an organization's key values. They communicate which goals are most important, which people are valued, and which are expendable. Some organizations hold rituals such as annual award ceremonies to recognize outstanding performance. For example, Mary Kay Cosmetics holds an annual award meeting where saleswomen are awarded with flashy gifts such as gold and diamond pins for achieving outstanding sales performance.

2.2.4.3. Material Symbols

Robbins (2001) discusses how material symbols can be used by companies to convey important messages to their employees. These symbols can take many forms, including the layout of corporate headquarters, the type of cars that top executives drive, and the size and elegance of offices and furnishings. Executive perks and dress attire are also exampling of material symbols. These symbols communicate to employees who is important within the organization, the level of fairness and impartiality desired by top management, and the types of behaviors that are considered appropriate in the workplace.

2.2.4.4. Organizational Language

Robbins (2001) explains that language is often utilized by organizations and their subcultures to identify members. By adopting and using this language, members display their acceptance of the culture, thereby contributing to its preservation. As time goes on, organizations tend to develop their own specialized terms for describing various aspects of their business such as equipment, personnel, suppliers, customers, or products. New employees are typically bombarded with jargon and acronyms that they eventually incorporate into their own vocabulary after six months on the job. Once integrated, this language serves as a common ground that unifies members of a specific culture or subculture.

2.2.5. Organizational Culture Models

Various theories have been developed by different scholars to demonstrate the relationship between organizational practices and performance. Some of these theories are: Schein's theory of organizational culture,Hofstede's Model, Robert a Cooke's Model, the Denison organizational culture model, and the Theory of Organizational Excellence.

2.2.5.1. Schein's Theory of Organizational Culture

Edgar Schein developed a model to understand organizational culture, which consists of three levels: artifacts, values, and assumptions (Schein, 2016). Artifacts are the visible and tangible aspects of culture that individuals in the organization can easily observe and experience. These include elements such as dress code, office layout, and organizational facilities. Schein explained that artifacts encompass the physical environment, employee communications, organizational policies and procedures, rules and regulations, reward systems, and other tangible aspects.

The second level of organizational culture is represented by the values held by employees. These values influence organizational behavior and shape the culture. Understanding employees' beliefs and attitudes can have a significant impact on organizational culture and ultimately affect workplace performance. The values within an organization can be identified by observing how employees interact and the choices they make, as well as by recognizing what behaviors are considered appropriate and acceptable.

The third level of organizational culture involves assumed values, which are not easily measured. Assumed values refer to the underlying beliefs and unconscious aspects of human nature within the organization. Different organizations may embody these values in various ways, and they are often understood and practiced by organizational members without being explicitly discussed.

2.2.5.2. Hofstede's Model

According to the research, Hofstede (1980) identified six characteristics of national cultures. Power distance orientation, masculinity against femininity, individualism versus collectivism, the Uncertainty Avoidance Index, a long-term versus short-term orientation, and tolerant versus conservative society are some of the topics covered.

Power Distance Orientation

The level to which a society's citizens accept an unequal distribution of power is known as the "power distance." It refers to how far a country recognizes that disparities in its citizens' physical and intellectual skills lead to those disparities in their level of well-being. In a culture that values power distance, the manager or leader must be respected and their directives must be properly adhered to. Employee performance is accountable in countries that are less power-distance oriented. They are treated equally by the management and are expected to take responsibility for their work.

Masculinity vs. Feminity

Masculinity and femininity can be described by the variations in gender values that different sections of a community promote. Organizations with a disproportionate number of men working there will have different policies than those with a disproportionate number of women working there. It is predicted that males will be more aggressive than females, whereas female equivalents will be gentler and more loving. According to the gender values demanded from society, the duties of both sexes vary.

Individualism Vs Collectivism

Individualism Vs Collectivism refers to how well an organization incorporates a group mindset and fosters a strong sense of community among its members as opposed to independence. To put it another way, some people place a big emphasis on teamwork while others place more value on individual accomplishment in businesses. Hofstede claims that the cultures of the various countries can be broadly divided into two categories: western culture and eastern culture. He asserts that the Western culture is more individualistic while the Eastern culture is more communal.

Uncertainty Avoidance Index

These reflect to how the organization's level of risk-taking readiness. Employees of organizations are trained in how to respond to unusual and unexpected circumstances. It concerns the employees' tolerance for both comfortable and uncomfortable situations. In this dynamic world, taking measured risks is one of the important concerns in the corporate environment. Some firms are highly sensitive to risk and try to avoid it, while others are willing to do so. Risk-takers are more innovative than those who avoid it, who work to maintain their company's statuesque oration stapes. The amount of uncertainty avoidance index has an impact on an organization's ability to innovate and grow in the future.

Long Term Orientation vs. Short Term Orientation

This is the extent to which a company concentrates on achieving short- or long-term goals. Some organizations prioritize short-term profits while others aim for long-term ones. In addition, several firms sought to build lasting ties with employers in order to outperform their rivals in this regard.

People in these organizations use a consistent approach and try to meet the organization's objectives and needs. In such circumstances, employees are very committed to the companies in order to achieve their long-term goals with the firms. On the other hand, relationships between employers and other organizations are transient. Up till the company maximizes earnings and employees have higher positions and wages, organizations and employees coexist.

Tolerance Restraint

Tolerance and restraint are linked to an organization's spending on resources to meet the demands of workers and organizations. Some firms have a culture of restricting workers' and the organization's requirements and preferences in order to reduce spending. Organizations with a conservative culture have rigorous rules and restrictions in place for accessing business resources.

2.2.5.3. Robert a Cooke's Model

Robert Cooke used three categories to demonstrate corporate culture (Cooke 1989). This encompasses aggressive, passive, and constructive cultures. Constructive culture is an organizational culture that encourages positive employee engagement for the benefit of achieving both organizational and individual goals. Employees are free to discuss ideas and develop creative solutions under this type of corporate culture, which can be advantageous to the entire firm.

Employees actively participate in decisions that are made about matters affecting their organization. Discussions based on logic and reasons help resolve conflicts inside an organization. Through supporting individual employees, a positive corporate culture benefits greater achievement of company goals. Additionally, it increases people's potential for organizational advantages and the employees avoid conflicts and unnecessary disputes and promote a positive relationship among employees in the workplace (Cooke 1989).

According to Cooke's, passive culture is the second category of organizational culture. In this type, employees are not free to share their ideas openly with their coworkers and supervisors, and their motivations are constrained to appease the superiors in order to keep their current positions and, if possible, advance their careers within the organization. This type of culture is more frequent in developing countries like Ethiopia. In addition, employees rely heavily on supervisors to decide everything, even how they should go about doing their daily jobs. They also anticipated blindly obeying the directives of superiors. They simply disregard their own interests and adhere to organizational rules.

Aggressive Culture, in Cooke's opinion, is the third form of corporate culture. Any company that adopts this culture is encouraging employee competitiveness. Employees were expected to compete for influence, superior outcomes, and recognition from the company. Employee performance is assessed in comparison to that of their coworkers. Employees who ask their coworkers for help are viewed as incompetent. Teamwork inside the company is discouraged by this kind of culture.

2.2.5.4. The Theory of Organizational Excellence

This theory was developed by Thomas Peters and Robert Waterman (1982), posits a direct correlation between an organization's culture and its success. Successful companies prioritize cultural practices such as action, customer-centricity, entrepreneurship, productivity, value-driven efforts, simplicity, lean staffing, and resource optimization. This suggests that organizations thrive when their cultural values empower individuals to perform. This includes listening to and implementing suggestions from employees and customers, considering cultural factors, and promoting and clarifying core values within the organization (Anis, et.al 2011). Furthermore, a strong organizational culture that emphasizes high achievement levels allows individuals at all levels to contribute to performance.

2.2.5.5. Kim Cameron and Robert Quinn Model

The Organizational Culture Assessment Instrument was created and employed to gauge the effectiveness and achievement of organizations. Cameron and Quinn (1999) categorized four types of culture, namely clan, adhocracy, market, and hierarchy culture.

Clan Culture

The culture here is more open-minded and internalized. Leaders here behave like father figures in a welcoming environment. A positive attitude among employees and faith in the caliber of the goods and services are significantly correlated with this type of culture. According to Cameron & Quinn (1999), the characteristics of a clan culture are trust inside the organization, dedication from the workforce, open communication, and employee involvement.

Adhocracy Culture

This kind of culture is adaptable and has an external focus. It is a vibrant workplace with executives who support innovation within the organization. Employees try to take a chance on innovation and trying out fresh approaches. Leaders are frequently viewed as risk-takers and innovators. A company with such a culture places a long-term priority on expansion and acquiring additional resources (Cameron & Quinn, 1999).

Market culture

Market culture frequently has an outward focus and is regulated. It is a competitive workplace. Market culture is more closely related to financial effectiveness and innovation requirements. They establish specific objectives and use contingent benefits to encourage staff to work hard and exceed stakeholder expectations.

Hierarchy Culture

This kind of culture places a greater emphasis on the internal workings of the organization and endorses more tightly managed systems. According to Cameron & Quinn (1999), this culture a highly codified and structured workplace where leaders act as coordinators. Long-term stability is the main priority in this culture. It is believed that performance will be attained effectively through efficient operations with appropriate costing and scheduling. We can make use of a variety of tools to assess corporate culture. For instance, Cameron and Quinn (1999) uses different method to analyze the nature, strength, and congruence of organizational culture.

2.2.5.6. Denison's model of Organizational Culture

The Denison organizational culture model, developed by Professor Daniel R. Denison, is a framework that highlights the crucial link between organizational practices and performance. The model comprises four cultural attributes, namely involvement, consistency, adaptability, and mission, which serve as the basis for evaluating an organization's performance. These four elements are essential in creating and sustaining a productive organizational culture (Kotter et al., 2012). Professor Denison was affiliated with the University of Michigan's School of Business when he developed the model, and he is currently a professor of organization and management at IMD School of Business in Lausanne, Switzerland.

According to Denison's organizational culture model, two internal factors - involvement and consistency - and two external factors - adaptability and mission - are crucial in establishing a productive organizational culture. Mousavi, Hosseini, and Hassan pour (2015) also recognized involvement as a significant factor in ensuring the effectiveness of organizational culture.

Involvement is a critical aspect of effective organizational culture and includes transparent communication, employee-focused leadership, and strong interpersonal relationships within the organization (Engelen et al., 2014). Successful business managers promote high levels of employee involvement and encourage their participation in key organizational activities (O'Reilly et al., 2014). By involving employees in decision-making processes, they feel a sense of ownership, trust, and loyalty towards the organization and become more accountable for their actions (Denison, 1990). These aspects of ownership and accountability are vital components of an effective organizational culture and play a significant role in motivating employees (Kotter et al., 2012).

Studies in the field of organizational culture indicate a positive correlation between high employee involvement in decision-making processes and performance (Hacker, 2015). However, Givens (2012) has argued that excessive involvement in various activities can create a lack of specialization, making it difficult to identify the responsible person for a specific task.

Furthermore, research has shown that **consistency** within an organization reflects the effectiveness of its culture (Givens, 2012). Consistency is regarded as a significant factor in developing a robust organizational culture and enhancing employee performance (Givens, 2012). However, Nongo and Ikyanyon (2012) have contended that a high level of consistency does not directly impact employees' commitment and performance within the organization.

According to Schein (2010), **adaptability** is a crucial characteristic of business managers, as it allows them to effectively perceive and respond to external environments. This means that managers must be responsive to both internal and external factors, and possess the ability to modify the existing organizational culture to accommodate necessary changes. Such changes may involve improving and modernizing internal departments and products in response to external competition (Mousavi et al., 2015).

For adaptability to be effective, it must be embedded within the organizational culture, which includes a set of fundamental assumptions developed by members of the organization in dealing with external adaptation problems (Cian & Cervai, 2014). Denison (1990) suggests that employees must also be willing to adapt, restructure, and reinstitute internal processes, behaviors, and attitudes in response to external forces and demands. Overall, adaptability is considered a critical element in promoting business performance (O'Reilly et al., 2014).

Finally, in an effective organizational culture, business managers define the organization **mission** by providing purpose and meaning to every major part of the organization’s mission (Givens, 2012). The mission contains (a) clear direction and vision, (b) strategic decision and intent, and

(c) goals and objectives of the organization that members use to guide the activities of the organization (Mousavi et al., 2015). Business managers use the organization's mission and vision to determining the organization short and long-term goals (Nongo & Ikyanyon1, 2012). Organization mission is used to provide appropriate direction to internal and external stakeholders (Raza et al., 2014).

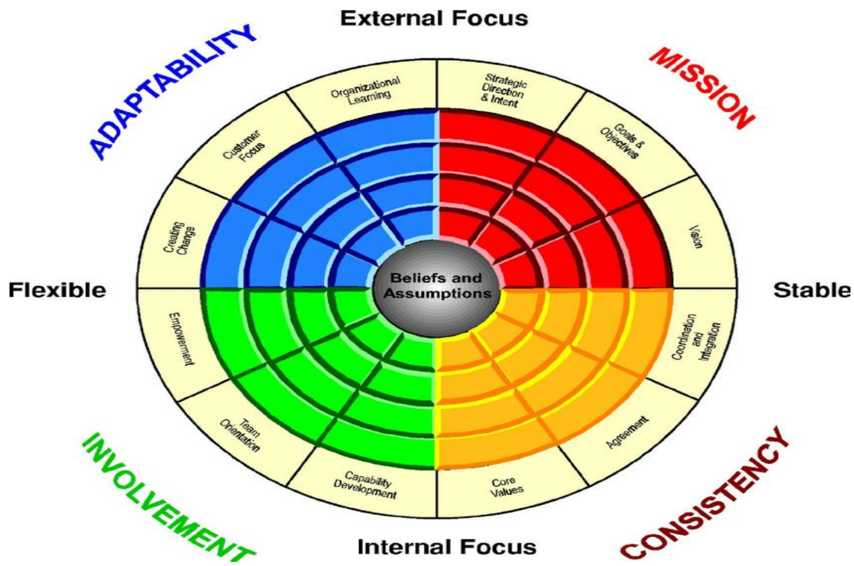


Figure 1: Denison model (Denison, Hooijberg, Lane, Lief, 2012)

Each of the four organizational culture factors has three variables – indices. Thus, **involvement** is characterized by such indices as empowerment, team orientation, capability development; **consistency** – by core values, coordination and integration, agreement; **adaptability** – by organizational learning, focus on the customer, creating change; **mission** – by vision, goals and objectives, and strategy.

2.3. The Concept of Organizational Performance

2.3.1. The Concept of performance

Organizational performance is the measure of how well an organization has achieved its intended goals and objectives, as compared to the actual outputs or results (Wikipedia). Performance can be defined in several ways. According to the process view, performance is the attainment of objectives through the input process into the output (A. H. Aldholay, Abdullah, Ramayah, Isaac, & Mutahar, 2018; Ameen & Ahmad, 2014). The relationship between performance and results is related to the fields of economy, work efficiency, and the realization of outcomes (Abd. Jalani, 2013).

Nowadays organizations are more focusing on the management of non-financial or intangible assets like customer’s link, services, quality and performance, not on the assets which are financial in nature (Kaplan and Norton, 2001). So, there is a need for proper performance measurement system to measure and evaluate the performance of organization either financial or non-financial.

According to Chenhall (2005), the Strategic Performance Measurement System (SPMS) provides a way to measure both financial and non-financial performance. He suggests that the incorporative nature of this measurement technique provides the potential to increase the strategic competitiveness of the organization.

Organizational performance is defined differently by researchers. Daft (2000) defines organizational performance as the organization's ability to achieve its objectives using resources efficiently and effectively. Similarly, Richardo (2001) defines organizational performance as the ability of the organization to achieve its goals and objectives. According to Heffernan and Flood (2000), organizational performance suffers from problems of conceptual clarity and definition. The term performance is sometimes confused with productivity. Richardo (2001) differentiates performance from productivity by stating that productivity is a ratio depicting the volume of work completed in a given amount of time, while performance is a broader indicator that can include productivity as well as quality, consistency, and other factors.

Moullin (2003) defines organizational performance as the value the organization delivers for customers and other stakeholders and how well it is managed. It is a measure of the effectiveness and efficiency of both the organization and its workers (Neely et al.,) where effectiveness refers to the extent to which stakeholder requirements are met, while efficiency is a measure of how economically the organizations resources are utilized when providing a given level of stakeholder and customer satisfaction. Therefore, performance can be defined as the use of resources both efficiently and effectively in the achievement of expected objectives. Denison (2008) defines performance as the achievement of financial and non-financial goals that enable an organization to remain viable and sustainable both in the short and long run.

2.3.1.1. Performance Measurement

According to Neely et al. (2000), performance measurement is a collection of metric systems utilized to quantify the effectiveness and efficiency of actions. Moullin (2003) offered a definition that views performance measurement as an evaluation of the organization's management and the value it delivers to its stakeholders and customers. This definition highlights the purpose of performance measurement and stresses both stakeholder value and organizational management. Amaratunga and Baldry (2002) provided a more specific definition, stating that performance measurement supplies the foundation for an organization to assess its progress towards predetermined objectives, identify areas of strengths and weaknesses, and determine future initiatives with the aim of improving organizational performance. This definition elucidates the role and process of performance measurement comprehensively from diverse perspectives.

2.3.1.2. Measurement of Organizational Performance

In previous studies, researchers have employed various variables to evaluate organizational performance, including profitability, gross profit, return on assets (ROA), return on investment (ROI), return on equity (ROE), return on sales (ROS), revenue growth, market share, stock price, sales growth, export growth, liquidity, and operational efficiency (Parnell & Wright, 1993). Nevertheless, there has been inconsistency in measuring organizational performance, with most researchers (Kotter & Heskett, 1992) using quantitative data such as return on investment and return on sales.

The definition of performance has incorporated both efficiency-related measures, which are concerned with the input/output relationship, and effectiveness-related measures, which address aspects such as business growth and employee satisfaction. Furthermore, financial and non-financial measures have been employed to conceptualize performance from both objective and perceptual sources. Objective measures consist of secondary source financial measures, such as return on assets, return on investment, and profit growth. These measures are unbiased and particularly advantageous in single-industry studies because of the uniformity in measurement across all organizations in the sample (Venkatraman & Ramunujam, 1986).

2.3.2. Balanced Scorecard

The Balanced Scorecard is a performance measurement framework developed by Norton and Kaplan in 1992 that is widely used by organizations. It incorporates financial measures along with customer satisfaction, internal processes, and operational activities as drivers for future financial performance (Kaplan & Norton, 1992; Kaplan & Norton, 2001). The framework suggests that managers view an organization's performance from four perspectives: customer, financial, internal, and innovation and learning.

Financial Perspective

The financial perspective is the traditional and commonly used tool to measure an organization's performance. Financial measures focus on profitability, market value, return on assets, investment and equity, liquidity, and other ratios. (Kaplan & Norton, 1992; Kaplan & Norton, 2001).

Customer Perspective

The customer perspective helps address customers' concerns and build continued patronage. Core measures include customer satisfaction, complaints, new product production, retention, profitability, on-time delivery, and clear goals for time, quality, performance, and service. Organizations must also remain sensitive to product costs (Kaplan & Norton, 1992; Kaplan & Norton, 2001).

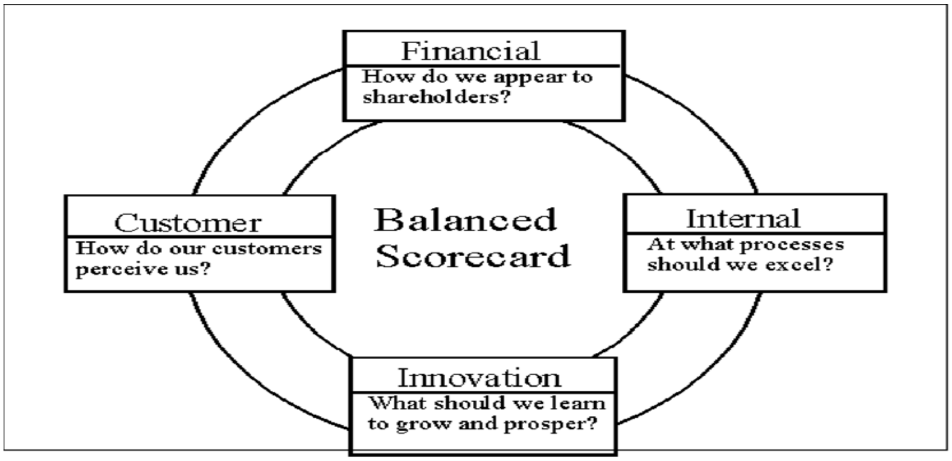
Internal Business Perspective

The internal business perspective identifies and improves critical internal processes that yield a competitive edge and greater customer satisfaction. This perspective assumes that to satisfy customers and earn a financial return, the organization must be efficient and effective at what it does. Measurements are typically based on producing products and services that meet customer satisfaction efficiently and effectively (Kaplan & Norton, 1992; Kaplan & Norton, 2001).

Innovation and learning perspective

The innovation and learning perspective are measured in various ways, including transaction speed, IT usage, training and development, new product and service development, and strategic alliances and partnerships. An organization's ability to innovate and learn improves its operating efficiency, resulting in growth and increased shareholder value (Kaplan & Norton, 1992; Kaplan & Norton, 2001)

Figure 2: The Balanced Scorecard



Source: Kaplan and Norton (1992)

The Balanced Scorecard model is structured around the idea of a cause-and-effect chain between its four perspectives. This means that financial performance is influenced by factors such as customer loyalty, which in turn is influenced by the quality of the enterprise's internal business processes. These internal processes, in turn, rely on the development of employees' skills and knowledge, reflecting the importance of learning and growth in driving overall performance. A successful Balanced Scorecard should therefore incorporate both lagging indicators (outcomes) and leading indicators (performance drivers) that are aligned with the business unit's overall strategy (Kaplan & Norton, 1996; Kaplan & Norton, 2001).

2.3.3. Performance Measurement in Banks

When it comes to measuring the performance of financial institutions, various performance aspects cannot be observed directly whereas they are economically important. Jacob A. Bikker suggested in his study that the efficiency of financial institutions, the quality of their products and the reliability of them in terms of solvency and of whether customers can be sure to get their money back are what the customers are mainly interested in. As they cannot be observed directly, they have to be measured in an indirect way. However, measuring them is not easy in financial products markets. In other words, we need to come up with measurement indicators for efficiency, products quality and reliability aspects of financial institutions instead.

2.4. Empirical Review

In today's economy, companies are faced with the continuous challenge of offering a range of innovative products and services in their portfolio. However, not all firms prioritize building innovation capabilities and generating innovative outcomes, despite the crucial role that portfolio innovativeness plays in corporate performance. Over the past two decades, there has been a significant increase in research exploring the relationship between organizational culture and performance (Lim, 1995). While in the 1980s, researchers were primarily focused on finding strong shared values within organizations that could lead to improved performance (known as the "Strong Theory"), Peters and Waterman (1982) proposed that high-performance firms could be distinguished from low-performance firms based on specific cultural traits and the presence of a "strong culture."

The importance of organizational culture in enhancing performance has been a topic of debate among scholars. While Deal and Kennedy (1982) and others have suggested that strong shared values can improve organizational performance, some critics (Carrol, 1982; Reyonds, 1986; Saffold, 1988) have argued that this simplistic model is no longer relevant and that a more nuanced understanding is needed. In the 1990s, researchers focused on testing the Theory of Adaptability, but results were inconsistent (Denison, 1991; Gordon and DiTomaso, 1992; Denison, 1990; Kotter and Heskett, 1992; Lee, 2006). Furthermore, the Strong Culture Theory proposed by Denison and Mishra (1995) has also faced criticism from other scholars.

Wilderom and Berg (1998) observed that although there was some evidence supporting the impact of organizational culture practices on organizational performance, further research was needed to refine this relationship. Hofstede (1990), House et.al. (2004), Pfeffer (1997), and Wilderom (1998) all supported the use of organizational culture practices to evaluate organizational culture. From 1990 to 2007, over 60 research studies were conducted across 26 countries, examining 7619 companies and small business units. These studies consistently found a strong correlation between market culture and business performance.

studies by Denison (1990), Kotter and Heskett (1992), and Lee (2006) yielded inconsistent results regarding the link between culture strengths and organizational performance, and Denison and Mishra's (1995) Strong Culture Theory also faced criticism from other scholars.

More recent studies, such as Shakil's (2012) examination of organizational culture's impact on management practices in Pakistan and Lorraine, Dorai, and Zubair's (2011) investigation into the influence of organizational culture on performance management in the insurance industry, have found links between organizational culture and management practices. However, the acceptance levels of performance management varied among different types of organizational cultures.

In Nigeria, Aluko's (2003) study of how culture influenced organizational performance in textile companies used qualitative and quantitative methodologies to determine the nature of the relationship, the determinants of performance, and the ways in which culture interacted with other factors within the companies.

Mba, Okechukwu and Agwu (2014) found a positive relationship between organizational culture and employees' commitment and productivity in the National Agency for Food and Drugs Administration and Control in Nigeria. In Mogadishu-Somalia, Abdulkadir, Takow, Abdifitah and Osman (2014) discovered that academic achievement had a significant positive impact on competitive culture, entrepreneurial culture and consensual culture at telecommunication firms.

Fakhar, Iqbal and Gulzar (2014) concluded that customer service, risk-taking and communication system, participation, reward system and innovation had a positively significant impact on organizational job performance in software houses in Pakistan. In Kenya, Njugi and Agusioma (2014) found that organizational culture significantly influenced performance by enhancing organizational philosophy, work atmosphere, performance targets and organization stability in non-financial institutions, with a specific focus on World Vision Kenya

Wambugu, L. (2014) investigated the effect of organizational culture on organizational performance based on a case study of Wartsila-Kipevu II Power Plant in Kenya, and concluded that organizational ideals had a more significant influence on organizational job performance, and that the effect differed in terms of work procedures and systems having a significant impact on employees' performance.

Up until the early 1980s, financial measures were used as the sole criteria for evaluating success, but the increasing complexity of organizations and markets rendered this approach inadequate (Kennerly & Neely, 2002). Ghalayini and Noble (1996) observed that the literature on performance measurement developed in two phases. The first phase, which began in the late 1880s and continued until the 1980s, focused on financial measures like profit, return on investment, and productivity. The second phase started in the late 1980s in response to changes in the global market, particularly in corporate settings.

Performance has been described by practitioners as a term that encompasses various measurements, including input, output, and transactional efficiency, as noted by Stannack (1996). Doyle (1994) further emphasizes that there is no one best measure of organizational performance, as different organizations have unique objectives and measurements. However, there has been an overemphasis on financial criteria in assessing performance, with a focus on past performance. Unfortunately, such measures are often inward-looking, failing to capture aspects that are necessary for building and retaining customers, or creating long-term competitive advantage.

To address this, Zou and Stan (1998) proposed seven categories of financial, non-financial, and composite scales for measuring export performance. Financial measures include sales, profit, and growth, while non-financial measures include perceived success, satisfaction, and goal achievement. While financial measures are more objective, non-financial measures tend to be more subjective.

Reichers and Schneider (1990) noted that despite numerous studies dedicated to defining culture, relatively few researchers have explored the relationship between culture and performance. This is largely due to the complexity of operationalizing the concept of culture. Rousseau (1990) attempted to address some of the challenges in measuring organizational culture, but her study found no significant correlations between culture and employee performance. However, after reviewing recent research methodologies and findings, Lim (1995) argued that there is indeed a link between culture and performance. Both practitioners and academics have suggested that organizational performance is closely tied to the degree to which the organization's cultural values are widely shared (Denison, 1990).

Saffold (1998) posits that culture can shape organizational processes and contribute to performance in less demanding ways than some studies suggest. Strong organizational culture is seen as essential for three reasons: it provides social control that influences employee behavior, acts as social glue that bonds employees together and attracts new talent, and assists in the sense-making process to enhance employee efficiency and effectiveness.

Deal and Kennedy (1982) suggest that both strong and weak cultures have an impact on organizational behavior, but in strong cultures, employee goals align with management goals to increase overall performance. Barney (1991) proposes that organizational culture provides sustainable competitive advantage through three conditions: viability, rarity, and imperfect imitability.

This research project was focus on organizational performance aspects and how culture affects them. Through empirical research, the aim was to provide evidence of the impact of culture on organizational performance and inform organizational decision-makers.

Thus, even if in different parts of the world various research studies have been conducted on the subject matter (The Effect of Organizational Culture on Organizational performance) it is difficult to generalize the finding of the study in the Ethiopian context. Besides, in the knowledge of the researcher, virtually there is no research undertaken on the effect of Organizational Culture on the performance of Banks in the Ethiopian context. Hence, this study was aimed to examine The Effect of Organizational Culture (i.e. Involvement, Consistency, Adaptability, and Mission) on the performance of Cooperative Bank of Oromia S.C.

2.5. Conceptual Framework

The Denison model provides a framework for studying the impact of underlying beliefs and assumptions on organizational performance in measurable ways. This model consists of four dimensions, namely Involvement, Consistency, Adaptability, and Mission, which are believed to affect an organization's culture. According to Denison, organizations with a higher combined measure of these four traits tend to exhibit higher levels of performance, which is influenced by performance management. This model serves as the conceptual framework for studying the relationship between organizational culture and performance.

The following conceptual framework was developed here under for the study undertaken and the study was considered organizational culture as a contextual factor of performance. Performance in the study was implied organizational performance in four different perspective that are Financial Perspective, customer perspective, internal process perspective, and innovation and learning perspective.

2.1 Conceptual Framework

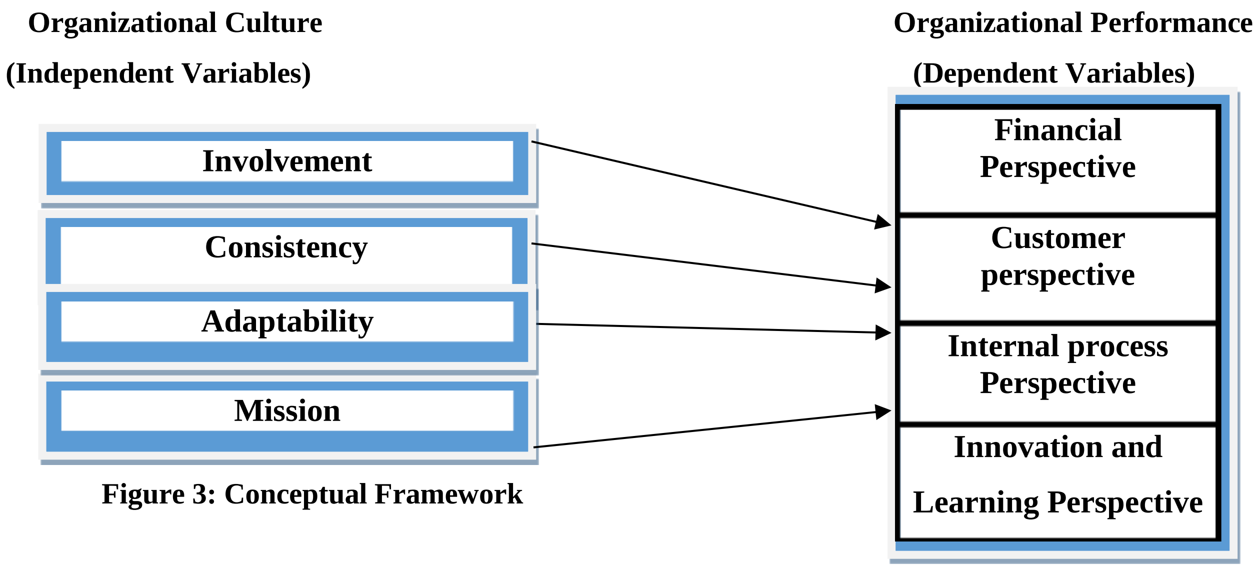


Figure 3: Conceptual Framework

Source: Adopted from literature (Denison Model 2012)

2.6. Research Hypothesis

In order to answer the research questions and achieve the objectives of the study, the following hypothesis was developed and tested to verify the under listed hypotheses.

Hypothesis One: There is a positive relationship between Organizational culture 'mission' and organizational performance.

Hypothesis two: There is a positive relationship between Organizational culture 'consistency' and organizational performance.

Hypothesis three: There is a positive relationship between Organizational culture 'involvement' and organizational performance.

Hypothesis four: There is a positive relationship between Organizational culture 'adaptability' and organizational performance.

CHAPTER THREE

3. METHODOLOGY

3.1Research Design

The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. There are three types of research design, namely; exploratory, descriptive, and explanatory (Kothari, 2004)

By taking the research objectives and nature of the study into consideration, explanatory research design was adopted to clearly explain the relationship exists between the variables. The study dependent variable was organizational performance, while independent variables was organizational culture. The structured questionnaire was developed to assess both variables and used as the main research instrument for the study.

3.2Research Approach

There are three basic types of research approaches; quantitative, qualitative, and mixed approach. Quantitative research approach is based on the philosophy of post positivism world view. It is also reductionist in that the intent is to reduce the ideas into a small, discrete set of ideas to test, such as the variables that constitute hypotheses and research questions. In addition, quantitative approach uses statistical methods in describing patterns of behavior and generalizing findings from samples to population of interest, and employs strategies of inquiry such as experiments and surveys (Creswell 2003, pp. 13-15).

Hence, by taking the research objectives and questions into considerations; quantitative research approach was adopted. A quantitative research approach was used as it is suitable to test relationships using the hypothesis and research questions (Zikmund, 2003).

3.3Data Sources and Types

The study was used both primary and secondary sources of data. The primary source of data is response collected from the employees of Cooperative Bank of Oromia. On the other hand, the secondary source of the data was gathered from different books, articles, journals, and different reports of the Bank to support the primary data.

3.3.1 Data Collection method and Procedures

A questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner (Sauders et.al, 2003). The study was depended on primary data which collected through self-administrated questionnaire.

The questionnaire was prepared in line with the objectives of the study and structured into three sections. The first section of the questionnaire was concerned with obtaining some demographic and general data about the respondents and the Bank. While, the second section aimed at assessing the respondent's level of agreement on the culture aspects of the bank and the third section of the questionnaire was also assess to what extent the performance is achieved according to the respondent.

The instrument for organizational culture adopted from Daniel Denison model of organizational culture for independent variable organizational culture and Norton and Kaplan (1992) for performance Measurement. The measurement scales were involved closed ended questions with Likert scale from Strongly Disagree to Strongly Agree and to what extent the respondent agree for dependent and independent variables list of questions.

Following the approval of the questionnaire by the advisor, the pilot test was tested. Subsequently, upon the completion of pilot testing, the questionnaire was edited based on the respondents' feedback and distributed to the sampled employees working at head office on Top, Middle and Lower level and professional job category in the Addis Ababa City.

3.4 Sampling procedure

3.4.1 Target population

A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study. The unit of analysis may be a person, individual, organization, country, object, or any other entity that researchers wish to draw scientific inferences about (Kelley, Clark, Brown, & Sitzia, 2003). Accordingly, the target populations of the study were the employees of Cooperative Bank of Oromia working at Head Office. As per the information obtained from Cooperative Bank of Oromia, Human Resource Unit, there were 780 numbers of Top, Middle, Lower level and professional employees in the Bank.

3.4.2 Sampling Frame

The sampling frame for any sample is a complete list of all the cases in the population from which the sample will be drawn (Saunders et al, 2000). In view of that, the sampling frame for the study was drawn from Cooperative Bank of Oromia employees working on Top Level Managers, Middle Level Managers, Lower level Managers and Professional level.

3.4.3 Sample Size

As a general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004). Sample size can be determined using certain formula in the case of quantitative study, whereas, in qualitative study, determining sample size is entirely a matter of judgment, there are no set rules (Cohen, Manion, and Morrison, 2000).

Thus, to get a representative sample for the population, Yemane (1967) finite and large population sample size formula with 95% confidence level were employed. The formula used to obtain this sample size is presented below:

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

Where; n = is the sample size **N=** is the population **1=** is a constant

e^2= is the estimated standard error which is **5%** for **95%** confidence level

According to the information obtained from Cooperative Bank of Oromia Human Resource Unit, there were a total of 780 employees working on four managerial categories which include: Top Level Managers (20), Middle Level Managers (100), Lower Level Managers (250) and professional (410) as of December, 2022.

Therefore, based on the above formula the sample size of the study were 265 employees.

$$n = \frac{780}{1+780(e)^2} = \underline{\mathbf{265}}$$

Following the sample size determination, the researcher allocated the sample size of each stratum through the method of proportional allocation under which the sizes of the samples from the different strata are kept proportional to the sizes of the strata. In order to do so, proportionate stratified sampling (PSS) formula $n_i=(N_i/N)\ (n)$ were used.

Where: n_i represents sample size taken from each stratum/sector, N_i total no. of population of each stratum/sector, n total sample size of the study, and N total population size.

The following table shows proportionate sampling, how the representative sample size (265employee) were distributed across the various job category.

Table 1:Population Distribution

Job Category	Staff composition	Population	Sample size
Top Level	Executive Management	20	7
Middle Level	Managerial/Administrative	100	34
Lower Level	Managerial/ Supervisory	250	85
Professional	Principals/Experts/Officer	410	139
	Total	**780**	**265**

3.4.4 Sampling Technique

In the study, the proportionate stratified simple random sampling was used in combination. The researcher preferred stratified sampling technique based on Kothari (2004) statement that, "If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. In this technique population is divided into several sub-populations that are individually more homogeneous than the total population (the different sub-populations are called strata)".

Therefore, the strata in this study were the three groups of managerial employees of Cooperative Bank of Oromia. Those are: Top Level, Middle Level, Lower Level and professional level job category. In general, since each stratum is more homogeneous than the total population, the researcher is able to get more precise estimates of the sample for each stratum and by estimating more accurately each of the component parts and get a better estimate of the whole; in brief, stratified sampling results in more reliable and detailed information (Kothari, 2004, pp. 63).

3.5 Data Analysis and Presentation

The primary data were collected through self-administrated questionnaire was analyzed using both descriptive and inferential analysis. In order to do so, Statistical Package for Social Sciences (SPSS) were employed. In order to test the reliability and validity of the instrument; Cronbach's alpha tests was used.

Descriptive statistics was used mainly to organize and summarize the demographic and general data of the respondents and enterprises. It employed percentage, frequency, mean, and standard deviation.

Whereas, inferential statistics move beyond the description of a specific observation to make inferences about the larger population from which the sample drawn. It was used for testing hypothesis and investigated research objectives. In the study, different types of inferential statistics were employed. Thus, the Pearson Correlation was used to determine the relationship and the effect of the two variables. Likewise, multiple regression analysis was used to measure the magnitude effect of organizational culture on performance of the Bank. At the end, the quantitative data was presented in the form of tables, graphs, and charts as desired so as to make all the data readable and understandable.

3.6 Validity and Reliability of Instrument

The researcher checked the validity and reliability of the data collecting instrument prior to analyzing the effect of the independent variable (organizational culture) on the dependent variable (organizational performance).

3.6.1 Validity

Hair et al. (2007) define reliability as "the extent to which some variable or set of variables is consistent in what it is intended to measure." A questionnaire's consistency is measured via reliability analysis. Before employing a data-collecting instrument, the validity and reliability of the measures must be evaluated (Hair et al., 2003). Validity is concerned with whether an instrument can accurately measure, whereas reliability is concerned with measurement consistency.

According to Kothari (2004), validity is the extent to which an instrument measures what it is supposed to measure. Three types of validity must be checked by the researcher in research: content validity, criterion validity, and construct validity.

As a result, the researcher engaged in a variety of actions to ensure the validity of the instrument employed in this study. The instruments used to assess the independent variable were taken from a prior study. This implies that the instruments have previously been tested. The instrument used to assess the dependent variable was created following a comprehensive examination of instruments used in previous research. Following the advisor's acceptance of the questionnaire, a pilot test was done to improve the instrument's clarity and validity. The final questionnaire was then revised by incorporating feedback from pilot test respondents, and proofreading was performed. After completing all of these procedures, the completed questionnaires were distributed to the target population on a large scale to collect data.

3.6.2 Reliability

Reliability is a measure of a measurement instrument's internal consistency, and a measurement is said to be reliable when several efforts to measure something get the same result. The alpha coefficient is the most often used metric of dependability (Zikmund et al, 2009).

According to Sekaran and Bougie (2016), measuring dependability is "an indication of stability and consistency with which instrument of measurement measures the concepts and helps to assess the goodness of a measure." To assess instrument reliability, many procedures such as the split half methodology, Cronbach's alpha, and item analysis can be used (Robert, 2014).

The most significant, commonly used, and objective metric of instrument reliability is Cronbach's alpha. It accepts a number between 0 and 1. Cronbach's alpha acceptance values range from 0.70 to 0.95 (Tavakol and Dennick, 2011). Cronbach's alpha was used in this study to assess the instrument's internal consistency.

According to Zikmund et al, a coefficient of alpha between 0.80 and 0.95 indicates very good reliability, a coefficient of alpha between 0.70 and 0.80 indicates good reliability, a coefficient of alpha between 0.60 and 0.70 indicates fair reliability, and a coefficient of alpha below 0.60 indicates poor reliability. As a result, the Cronbach's alpha for each variable in the study is provided below.

Table 2: Reliability Statistics

Variables	Cronbach's Alpha	Number of Items
Organizational Culture	0.955	36
Organizational Performance	0.886	12

Source: SPSS output of the primary data, 2023

As shown in table 2, the Cronbach's alpha values for organizational culture and organizational performance are 0.955 and 0.886 respectively. Cronbach's alpha for both variables is well far away from the minimum acceptable value of 0.7. This suggests the measurement instrument is highly reliable and internally consistent.

3.7 Data Analysis Methods

Both descriptive and inferential statistics was used to analyze the primary data collected from the participants. To perform the analysis, IBM SPSS-Statistical Package for Social Science version 24 was employed.

Descriptive statistics involve the creation of various indices based on the raw data. These indices encompass measures such as central tendency, dispersion, and skewness (Kothari, 2004). Descriptive statistics measures, such as frequency, percentage, mean, and standard deviation, were employed to analyze demographic information and other relevant data from the participants. Additionally, these measures were used to conduct a descriptive analysis of the variables under study.

Inferential statistics is concerned with the process of generalization and is used to estimate population characteristics and evaluate statistical hypotheses (Kothari, 2004, Cooper and Schindler 2011). In this study Pearson Correlation was utilized to determine the relationship between the two research variables (Independent and Dependent variables). Regression analysis was used to determine the direction and magnitude of the influence of the independent variable on the dependent variables.

3.8 Ethical Consideration

In the context of research, ethics is defined as the appropriateness of the researcher’s behavior in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). Therefore, this study was governed by the general rules of research ethics in such a way that, the respondents was requested to provide information on voluntary basis, there were prior communication about the purpose of the study, and confidentiality of the information to be guaranteed. Furthermore, attempts made to bring clarity in the questionnaire to best fit with the industry context. Lastly, the questionnaires were distributed only to voluntary participants.

3.9 Organization of study

This research project paper is organized in to five chapters. The first chapter presents among other things the background assessment of the study, statement of the problems, basic research questions, objectives, significances, delimitation (scope) and limitations of the study. In the second chapter, relevant theoretical/conceptual and empirical literatures were reviewed in order to have a more insightful understanding of the concepts of the topics of investigation. Chapter three discusses the methodology of the study and it includes the discussion of research approaches, design, sampling design, types and sources of data, data collection instruments and procedure, data analysis method and ethics of the study. The fourth chapter discusses data presentation, interpretation, and discussion. Research hypotheses were also tested in this chapter. The last fifth chapter presents the summary of the major findings, conclusions, recommendations and, future research directions.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION

The main objective of this study is to identify the effect of organizational culture on organizational performance. In order to reach this goal, the primary data collected via questionnaires has been presented, analyzed, evaluated, and discussed in this portion of the study.

4.1. Data Editing and Coding

Prior to the start of the data analysis, the main data obtained via questionnaires were reviewed to see if they were correctly filled out and appropriate for data analysis. Those that were correctly completed were coded and placed into SPSS-Statistical Package for Social Science version 24 for data analysis.

4.2. Response Rate

According to the sample size specified in the methodology section of this study, 265 questionnaires were delivered to the target population. Out of these, 218 are returned, representing an 82.26% response rate, with 47 not returned at all. Gordon (2002) defines a response rate of 60% as marginal, 70% as reasonable, 80% as good, and 90% as excellent. As a result, a response rate of 82.26% is good in this study.

Table 3: Questionnaire Response rate

Sample Size	265
Distributed Questionnaire	265
Collected Questionnaire	218
Remains uncollected	47
Used for Analysis	218
Percent of Response	**82.26%**

Source: Researcher's Own Survey, 2023

4.3. Demographic Characteristics and other Information of Respondents

The table below highlights the demographic (gender and age) and other characteristics (educational level, work experience, and job category) of respondents;

Table 4: Demographic and other Information of Respondents

Variables	Categories	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	145	66.5	66.5	66.5
	Female	73	33.5	33.5	100.0
	Total	**218**	**100.0**	**100.0**	
Age	21-30	94	43.1	43.1	43.1
	31-40	92	42.2	42.2	85.3
	41-50	27	12.4	12.4	97.7
	51 and above	5	2.3	2.3	100.0
	Total	**218**	**100.0**	**100.0**	
Educational Level	First Degree	132	60.6	60.6	60.6
	Second Degree	84	38.5	38.5	99.1
	Ph.D.	2	0.9	0.9	100.0
	Total	**218**	**100.0**	**100.0**	
Year of Service	Less than 5 years	65	29.8	29.8	29.8
	6-10	103	47.2	47.2	77.1
	11-15	42	19.3	19.3	96.3
	16 years and above	8	3.7	3.7	100.0
	Total	**218**	**100.0**	**100.0**	
Job Category	Top Level Management	7	3.2	3.2	3.2
	Middle Level Management	26	11.9	11.9	15.1
	Lower Level Management	64	29.4	29.4	44.5
	Professional Level	121	55.5	55.5	100.0
	Total	**218**	**100.0**	**100.0**	

Source: Researcher's Own Survey, 2023

The table above illustrates respondents' demographic and other information. In terms of the first demographic information, gender, 66.5% of respondents are male and 33.5% are female. This suggests that the majority of those who participated in the poll were men. According to the above table, a majority of respondents are between the ages of 21 and 30, accounting for 43.1% of all respondents, followed by the ages of 31 and 40, accounting for 42.2% of all respondents, 12.4%

of respondents are between the ages of 41 and 50, and 2.3% are over 51 and above. This suggests that the majority of the survey respondents were young, and as a result, it is assumed that they do well at work.

In terms of educational level, the majority of respondents were Bachelor Degree holders, accounting for approximately 60.6% of respondents, followed by Second Degree holders, accounting for approximately 38.5% of respondents, and finally Ph.D. holders, accounting for approximately 0.9% of respondents. We may deduce from this that the majority of respondents have a higher education and, as a result, it is assumed that they can read and understand the data collecting tools.

When we look at the respondents' years of service from the above table, we see that the majority of the respondents have served the bank between 6 to 10 years, which accounts for 47.2% of the respondents, followed by Less than 5 years, which accounts for 29.8% of the respondents, followed by 11 to 15 years, which accounts for 19.3% of the respondents, and followed by those who have served the bank 16 and above years, which accounts for 3.7% of the respondents. Based on this We may conclude that respondents have a better awareness of their bank's culture and performance since they have more experience.

The respondents' job categories are the last information about them that is included in above table. Professionals consists the majority of responses (55.5%), followed by lower management (29.4%), middle management (11.9%) and top management (3.2%). This shows that the majority of respondents work in professional job categories. The majority of responders are professionals; thus, it is assumed that they have a better understanding of the performance and culture of their bank.

4.4. Descriptive Analysis of Variables

Mean, median, and standard deviation are important descriptive statistics metrics for assessing the central tendency, variability, and distribution shape of gathered data. They are critical in generating early ideas and helping data understanding (Cooper and Schindler, 2014).

According to Robert et al. (2014), descriptive statistics are used to compress large amounts of data into brief summaries, allowing for efficient, accurate, and unbiased communication of the underlying trends in the data.

Likert Scale Intervals

Different researcher had developed a variety of Likert Scale intervals or ranges. Two of them are notable enough to be included here. Pimentel (2019) recently designed an interval or range for three to seven-point Likert Scale for any instrument that employs replies on a scale, whether ordinary, interval, or ratio scale. As a result, the table below shows Pimentel's Likert Scale interval for a five-point Likert Scale and its explanation. With the exception of the last interval, the difference between each interval is uniform.

Table 5: Pimentel Likert Scale Description

Likert Scale	Interval Range	Interval Width	Description
1	1.00-1.79	0.79	Never
2	1.80-2.59	0.79	Rare
3	2.60-3.39	0.79	Sometimes
4	3.40-4.19	0.79	Often
5	4.20-5.00	0.8	Always

Source: Pimentel (2019, pp. 188)

Pimentel further mentioned that the above interval description might be adjusted for more relevant descriptions based on the study purpose. This Likert scale interval categorization is gaining popularity as a result of its adaptability.

Zaidatol and Bagheri (2011) created interval classification for the Likert Scale as well. This is the most often utilized in many academic studies. According to this classification, a mean score more than 3.8 on a five-point Likert Scale is regarded high, a mean score between 3.4 and 3.79 is considered moderate, and a mean score less than 3.39 is deemed low. As a result, the descriptive statistics for the research variables are shown and discussed in the next section.

4.5. Descriptive Analysis of Organizational Culture (Independent Variable)

The respondents were asked to rate their level of agreement or disagreement with various statements used to assess the practice of Cooperative Bank of Oromia's four organizational culture attributes (Mission, consistency, Involvement, and Adaptability) on a five-point Likert scale of 5 (Strongly Agree), 4 (Agree), 3 (Neutral), 2 (Disagree), and 1 (Strongly Disagree). As a result, the descriptive statistics (mean and standard deviation) for each of the four qualities were computed using SPSS, and the results were summarized, presented, and analyzed as follows: (The researcher utilized Zaidatol and Bagheri Likert Scale Interval categorization to discuss the descriptive statistics of Organizational Culture).

Table 6:Descriptive Statistics of Mission

Descriptive Statistics				
S. No.	**Organizational Culture-Mission**	**N**	**Mean**	**Std. Deviation**
1	There is a clear mission that gives meaning and direction to my job.	218	3.47	1.34
2	Cooperative Bank of Oromia's strategic direction is clear to me.	218	3.54	1.24
3	The bank has long-term purpose and direction.	218	3.61	1.19
4	Leaders set goals that are ambitious, but achievable.	218	3.44	1.25
5	Cooperative Bank of Oromia continuously follow its progress towards its goals.	218	3.40	1.13
6	There is widespread consensus about the goals of the company.	218	3.23	1.18
7	Employees of Cooperative Bank of Oromia have a common vision of what the organization future state.	218	3.18	1.22
8	Cooperative Bank of Oromia vision creates inspire and motivation for employees.	218	3.33	1.18
9	Leaders have a long-term perspective.	218	3.32	1.17
	Average		**3.4**	**1.21**

Source: Researcher's survey output, 2023

As stated in the table above and according to the range supplied by Zaidatol and Bagheri (2011), The mean score of five things (1, 2, 3, 4, and 5) is moderate, whereas the mean score of the remaining four items (6,7,8, and 9) is follow under low. The first item's mean shows that there is a moderately clear mission that gives meaning and direction to the job. Employees of Cooperative Bank of Oromia from various work units have a clear strategic direction to a moderate level as indicated by the mean of the second item. The third item's mean (3.61) likewise suggests that respondents agree with the assertion the bank has long-term purpose and direction with moderate level.

The mean of item 4, (3.44), indicates that respondents agree on a moderate level that leaders set goals that are ambitious, but achievable in the bank. The mean of item 5 (3.40) also indicates that respondents agree on a moderate level that the bank is constantly continuously follow its progress towards its goals.

With a mean score of 3.23, respondents disagree with item 6's statement of ‘there is widespread consensus about the goals of the company’. As evidenced by the mean of item 7, there is a low level of agreement on having a common vision of what the organization future state. There is also a disagreement on that there is vision creates inspire and motivation for employees the bank as indicated by the mean of item 8. Respondents also disagree with item 9 statement because of they think of that Leaders have a long-term perspective.

The total mean average score of all items used to assess mission culture is 3.4, which falls into the moderate category. Because this mission attribute is all about the bank having a clear mission that gives meaning and direction, a good understanding of strategic direction, long-term purpose and direction, achievable goals, continuous follow-up on progress toward its goals, and widespread consensus about the company's goals. Furthermore, the descriptive data reveal that there is broad agreement among employees about the bank's aims and direction. According to Denison and Neale (1996), high performing organization have a purpose that explains employees why they do the job they do and how the work they do each day contributes to the organization's success.

Table 7: Descriptive Statistics of Consistency

Descriptive Statistics				
S. No.	**Organizational Culture-Consistency**	**N**	**Mean**	**Std. Deviation**
1	Leaders lead by example and align their actions with their words.	218	3.18	1.14
2	Cooperative Bank of Oromia operates with a well-defined and unwavering set of values that guide its business practices consistently.	218	3.42	1.05
3	There is an ethical code exists to provide guidance to employees on how to behave ethically and make distinctions between right and wrong actions.	218	3.20	1.12
4	There is a consensus on the correct and incorrect approaches to doing things.	218	3.27	1.16
5	In the face of disagreements, employees strive to find a mutually beneficial solution, aiming for a "win-win" outcome.	218	3.16	1.11
6	Agreement can be easily achieved, even in the presence of conflicting issues.	218	3.26	1.09
7	It is easy to coordinate projects across different parts of the bank.	218	3.18	1.09

Descriptive Statistics				
S. No.	**Organizational Culture-Consistency**	**N**	**Mean**	**Std. Deviation**
8	The business approach is highly consistent and predictable.	218	3.22	1.13
9	Employees across various departments of the organization hold a shared viewpoint	218	3.38	1.21
	Average		**3.3**	**1.12**

Source: Researcher’s survey output, 2023

As we can see from the above table and as per the range provided by Zaidatol and Bagheri (2011), The mean score of five items 2 (3.42) indicates that there is a moderately good a well-defined and unwavering set of values that guide its business practices consistently. The mean of the first item (3.18) indicates that there is a problem of leaders lead by example and align their actions with their words. The mean of the third item (3.20) indicates that respondents disagree with the statement of “there is an ethical code exists to provide guidance to employees on how to behave ethically and make distinctions between right and wrong actions the bank. The mean of item four which is 3.27, indicates respondents disagree with that there is a consensus on the correct and incorrect approaches to doing things in the bank. The mean of the item five (3.16) indicates there is often the problem in the bank on reaching on mutually beneficial solution, aiming for a "win-win" outcome in the face of disagreements.

Respondents disagree with item six statement of ‘Agreement can be easily achieved, even in the presence of conflicting issues’ with a mean score of 3.26. There is also disagreement by respondents on statement of “coordinating projects across different parts of the bank” as indicated by the mean of item seven. Respondents disagreed that the business approach is highly consistent and predictable as showed by the mean of items of eight. The last item of this dimension with are items nine mean of (3.38) also indicates that respondent disagree with statement of “Employees across various departments of the organization hold a shared viewpoint”.

The overall mean average score of all items used to measure Consistency culture is 3.3 which is also categorized under the lower range and cooperative bank of Oromia has low practicing consistency organizational culture as suggested by Zaidatol and Bagheri (2011). According to Denison and Neale (1996), all high-performing organizations have a component of their culture that promotes stability and consistency through the development of a clear set of core values (thereby assisting employees and leaders in acting consistently), encourages dialogue (so that they can come to an understanding when a difficult issue or problem arises), and coordinates and integrates work (to foster efficiency and benefit the organization as a whole).

Table 8: Organizational Culture-Involvement

Descriptive Statistics				
S. No.	**Organizational Culture-Involvement**	N	Mean	Std. Deviation
1	Employees have a strong belief in their ability to make a positive impact on Cooperative bank of Oromia's performance.	218	3.66	1.15
2	Decisions at the Bank are taken at the levels where the necessary information is accessible.	218	3.44	1.21
3	Information is extensively shared within the bank, enabling employees to easily access the information they require.	218	3.43	1.21
4	Teamwork is prioritized for accomplishing tasks, rather than emphasizing hierarchical structures.	218	3.59	1.17
5	Employees work with a strong sense of belonging and collaboration as part of a team.	218	3.58	1.13
6	There is a strong culture of promoting collaboration and cooperation within the bank.	218	3.54	1.14
7	The abilities of employees are recognized as a valuable asset that contributes to a competitive edge.	218	3.52	1.20
8	Delegation of authority grants employees the autonomy to make decisions within the bounds of their discretion.	218	3.41	1.28
9	Employees' skills and capabilities are continuously developed through consistent investment.	218	3.53	1.16
	Average		**3.5**	**1.2**

Source: Researcher's survey output, 2023

The table above summarizes descriptive data for the Cooperative Bank of Oromia's Involvement characteristic as assessed by respondents. According to Zaidatol and Bagheri (2011)'s mean range categorization, and as shown in the table above, the mean score of all items falls under moderate range. The mean score of the first item (3.66), signals respondents agree to a moderate level that employees have a strong belief in their ability to make a positive impact on Cooperative bank of Oromia's performance. Decisions at the Bank are taken at the levels where the necessary information is accessible as shown by the mean of the second item, 3.47. The mean of the third item (3.43) indicates that everybody in the bank moderately believes that Information is extensively shared within the bank and enable employees to easily access the information they require. The mean score of item four, which is 3.59, indicates that Teamwork is prioritized for accomplishing tasks in the bank, rather than emphasizing hierarchical structures. Items five (3.58) illustrates that Employees work with a strong sense of belonging and collaboration as part of a team. The mean score of item six, which is 3.54, indicates that there is a strong culture of promoting collaboration and cooperation within the bank. The abilities of employees are recognized as a valuable asset that contributes to a competitive edge. 3.52 on item seven. The mean score of item eight (3.41) indicates the respondent moderately agree that the delegation of authority grants employees the autonomy to make decisions within the bounds of their discretion and the last item which are nine indicate that employees' skills and capabilities are continuously developed through consistent investment with the mean of 3.53.

Overall, the mean average of all goods is 3.5, which categorized under the moderate range. This suggests that this involvement attribute is moderately practiced in the Cooperative Bank of Oromia. In this aspect, Denison and Neale (1996) observed that high performing firms encourage and support employee involvement by offering a platform where people make decisions and have influence. Employees are so empowered and feel a feeling of collaboration as a result of this.

Table 9: Organizational Culture-Adaptability

Descriptive Statistics				
S. No	**Organizational Culture-Adaptability**	**N**	**Mean**	**Std. Deviation**
1	Cooperative Bank of Oromia effectively responds to competitors' actions and adapts to changes in the business environment.	218	3.54	1.15
2	Continuous efforts are made in the bank to adopt improved methods of work execution.	218	3.65	1.09
3	All department within the bank collaborate to drive and implement change	218	3.49	1.23
4	Changes are frequently prompted by customer feedback.	218	3.45	1.18
5	Employees have a comprehensive understanding of customers' desires and requirements	218	3.50	1.15
6	Customer input has a direct impact on decision-making at various levels within the bank.	218	3.62	1.17
7	Continuous learning is a significant objective embedded within employees' day-to-day work.	218	3.54	1.12
8	Innovation is actively promoted and recognized through incentives or rewards in the bank.	218	3.51	1.16
9	The Bank considers failures as valuable opportunities for learning and improvement.	218	3.45	1.25
	Average		**3.5**	**1.2**

Source: Researcher’s survey output, 2023

According to Zaidatol and Bagheri (2011)'s mean interval classification, the mean score of all items falls within the moderate interval. As evidenced by the mean of item one (3.54), Cooperative Bank of Oromia effectively responds to competitors' actions and adapts to changes in the business environment. As we can see from the mean of second item (3.65), the bank is always made continuous effort in the bank to adopt improved methods of work execution.

All department within the bank collaborate to drive and implement change in the bank to a moderate level as we can see from the mean of items three (3.49). Observing at the mean of item four (3.45), respondents moderately agree with the statement that Changes are frequently prompted by customer feedback.

The mean score of the items five, six, seven, eight and nine (3.50, 3.62, 3.54, 3.51 and 3.45 respectively) falls under moderate level of range, this indicates that Employees have a comprehensive understanding of customers' desires and requirements, Customer input has a direct impact on decision-making at various levels within the bank, Continuous learning is a significant objective embedded within employees' day-to-day work, Innovation is actively promoted and recognized through incentives or rewards in the bank, the Bank considers failures as valuable opportunities for learning and improvement respectively.

The adaptability dimension's average mean in all items is 3.5, which is similarly in the moderate range. According to the respondents' ratings, Cooperative Bank of Oromia moderately practices adaptation by actively monitoring what is happening in external surroundings and converting these external changes (if any) into bank’s operations. Accordingly, Denison and Neale (1996) draw the conclusion that all high-performing organizations are adaptable in that they seek out new and better ways to complete their tasks and that they embrace fresh perspectives and are open to experimenting with novel methods of doing things.

4.6. Descriptive Analysis of Organizational Performance (Dependent Variable)

Respondents were requested to measure the level of achievement of Cooperative Bank of Oromia in terms of its organizational performance across four perspectives of the balanced scorecard: Financial Perspectives, Customer Perspective, Internal Business Perspective, and Innovation and Learning Perspective. They used a five-point scale to rate the extent of achievement, ranging from "to a very little extent" (1) to "to a very great extent" (5).

The interval range recommended by Pimentel (2019) was employed by the researcher to analyze this dependent variable. As a result, a mean score between 4.20 and 5.00 is regarded as being to a very good extent, 3.40 to 4.19 as being to a considerable extent, 2.60 to 3.39 as being to some extent, 1.80 to 2.59 as being to a little extent, and 1.00 to 1.79 as being to a very little extent. As a result, the following descriptive data table are provided and analyzed for the four perspectives of the balanced scorecard:

Table 10: Descriptive Statistics of Financial Perspective

Descriptive Statistics				
S. No	**Financial Perspective**	**N**	**Mean**	**Std. Deviation**
1	In your opinion, how efficient is Cooperative Bank of Oromia S.C in managing its expenses,	218	3.36	1.23
2	To what extent do you believe the Cooperative Bank of Oromia S.C is achieving its financial goals and targets	218	3.51	1.17
3	To what extent do you believe the organization's profitability contributes to its overall success?	218	3.40	1.19
	Average		**3.42**	**1.97**

Source: Researcher's survey output, 2023

The above table summarizes the descriptive statistics of financial perspective performance of Cooperative Bank of Oromia as responded by respondents. As per Pimentel interval scale classification, the mean of the first item is categorized under as being to some extent and the mean of the other two items (two and three) are fall under to a considerable degree. The mean of item one (3.36) indicates that the bank manages its expense with some extent. The mean of item two and three (3.51 and 3.40 respectively) indicate that Cooperative Bank of Oromia S.C is achieving its financial goals and targets and believe that organization's profitability contributes to its overall success to considerable extent respectively. The overall mean of all items used to measure financial perspective is 3.42, this indicate that the bank has performed to considerable extent in its financial perspective performance as respondents' rate.

Table 11: Descriptive Statistics of Customer Perspective

Descriptive Statistics				
S.NO	**Customer Perspective**	**N**	**Mean**	**Std. Deviation**
1	Customers are satisfied with the quality of the Banks' goods and services.	218	3.37	1.16
2	The Bank has excellent image and favorable reputation by its customers	218	3.48	1.15
3	The Bank maintains a strong customer relationship compared to other competing banks.	218	3.39	1.23
	Average		**3.41**	**1.18**

Source: Researcher’s survey output, 2023

The above descriptive statistics of customer perspective as rated by respondents, the mean score of item one fall under to some extent as per the interval suggested by Pimentel (2019). Which describe that Customers are satisfied with the quality of the Banks' goods and services to some extent. The mean of item two (3.48) indicates that the respondents believe that bank has excellent image and favorable reputation by its customers with a very great extent. The last item of this customer perspective mean is (3.39) also indicate that the bank maintains a strong customer relationship compared to other competing banks with some extent. The total mean score of all items is 3.41, suggesting that the bank has performed to considerable extent in terms of customer perspective as rated by respondents.

Table 12: Descriptive Statistics of Internal Business Perspective

Descriptive Statistics				
S. No	**Internal Business Perspective**	**N**	**Mean**	**Std. Deviation**
1	Customers are served within the bank's designated standard delivery time (SDT).	218	3.23	1.256
2	Customers are highly satisfied with the Bank's after-sales service.	218	3.39	1.115
3	The Bank offers a satisfactory range of products and services to meet the needs of its customers.	218	3.37	1.071
	Average		**3.33**	**1.15**

Source: Researcher’s survey output, 2023

When we look at the above descriptive statistics of the internal process perspective, as per the interval suggested by Pimentel (2019), the respondents responded that the bank has performed to some extent with regard to all item used to measure internal business perspective.

This indicates Customers are served within the bank's designated standard delivery time (SDT), Customers are highly satisfied with the Bank's after-sales service and the Bank offers a satisfactory range of products and services to meet the needs of its customers to some extent. According to the above table, the total mean score of all elements is 3.33, indicating that the bank has performed to some extent in terms of internal business performance.

Table 13: Descriptive Statistics of Innovation and Learning Perspective

Descriptive Statistics				
S. No	**Innovation & Learning Perspective**	**N**	**Mean**	**Std. Deviation**
1	Employees in the Bank demonstrate a high level of operational efficiency and competence.	218	3.33	1.173
2	I have confidence that my service to the company and the contributions I have made are valued and recognized	218	3.44	1.179
3	The staff members with whom I work possess the necessary skill set to contribute to the success of the Bank.	218	3.39	1.187
	Average		**3.39**	**1.18**

Source: Researcher's survey output, 2023

According to Pimentel's (2019) interval range, the mean of all three items (3.33, 3.44 and 3.39 respectively) falls into the category of to some extent. This indicates that employees in the bank demonstrate a high level of operational efficiency and competence, they have confidence that their service to the company and the contributions they have made are valued and recognized and the staff members with whom they work possess the necessary skill set to contribute to the success of the Bank. The aggregate mean scores of all items used for evaluating Innovation & Learning Perspective is 3.39, indicating that the bank perform with some extent in this area.

4.7. Correlation Analysis

According to Chen and Popovich (2002), correlation studies are performed to determine the degree of association and direction of the relationship (no relationship, positive relationship, or negative relationship) between two variables.

A correlation coefficient has a range of values from -1 to +1, with the sign indicating the direction of the relationship between variables (if the sign is positive, there is a positive or direct relationship; if the sign is negative, there is a negative and inverse relationship; and if the sign is zero, it indicates there is no linear relationship between variables) and the magnitude indicating the strength of the relationship between variables. We utilize Pearson's Product Movement Correlation Coefficient 'r' if the variables are regularly distributed. According to Hazra and Gogtay (2016), a correlation value of near to +1 indicates a strong and direct association, whereas a correlation value of close to -1 indicates a strong inverse relationship.

According to the Hazra and Gogtay (2016) suggested correlation coefficient interval, a correlation coefficient of greater than 0.7 is categorized as a strong correlation, between 0.5 and 0.7 is a good correlation, between 0.3 and 0.5 is as moderate correlation, and correlation coefficients of less than 0.3 are considered to be poor correlations by ignoring the correlation coefficient's sign.

Table 14: Correlation Matrix of Study Variables

Correlations		
		Organizational Performance
Organizational Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	218
Mission	Pearson Correlation	.600**
	Sig. (2-tailed)	.000
	N	218
Consistency	Pearson Correlation	.536**
	Sig. (2-tailed)	.000
	N	218
Involvement	Pearson Correlation	.690**
	Sig. (2-tailed)	.000
	N	218
Adaptability	Pearson Correlation	.738**
	Sig. (2-tailed)	.000
	N	218
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Researcher’s survey output, 2023

According to Hazra and Gogtay's categorization of correlation coefficients and the above-mentioned correlation table, there was a very significant positive relationship between organizational culture dimension (mission, consistency, involvement, and adaptability) and organizational performance (r= 0.738, p = 0.00 for adaptability dimension, r=0.693, p=0.00 for involvement, r=0.6, p=0.00 for mission and r=0.53, p=0.00 for consistency dimension). The significance level (p-value) of the correlations is below the standard criteria which are less than 0.05, indicating that the relations are statistically significant.

Generally, Adaptability (r=0.738, p=0.00) had strong positive and significance correlation with organizational performance than the other cultural dimensions. involvement (r= 0.69, p=0.00) also had strong and positive correlation to the organizational performance than the other remaining cultural dimensions and on the same side consistency and mission (r=0.6 p=0.00 and r=0.53, p=0.00 respectively) have moderate correlation with organizational performance. Based on the this all cultural dimension's had significant positive correlation to organizational performance at Cooperative Bank of Oromia and this indicates, when there is an increase on those cultures or the cultures become strong the performance of the bank will increase significantly and become strong.

4.8. Testing the Assumptions of Regression

While doing the linear regression analysis, the researcher tested the classical linear regression model's assumptions which are normality assumption to make sure that the assumptions were accurate. None of the presumptions were not violated.

4.8.1. Normality Assumption

Regression analysis, assumed that the data follows a normal distribution. This assumption extends to the error terms, which are expected to follow a normal distribution as well. Researchers employ various techniques to test this assumption, including the examination of a histogram and a normal probability plot of standardized residuals, as outlined by (Kelley and Bolin, 2013).

4.8.1.1. Histogram

The most convenient visual technique for evaluating normality is the histogram. The observed actual data values are compared to an approximately regularly distributed distribution. If the distribution is normal, the histogram looks to be somewhat symmetric as its two sides appear to be mirror copies of one another, according to Peck et al. (2016).

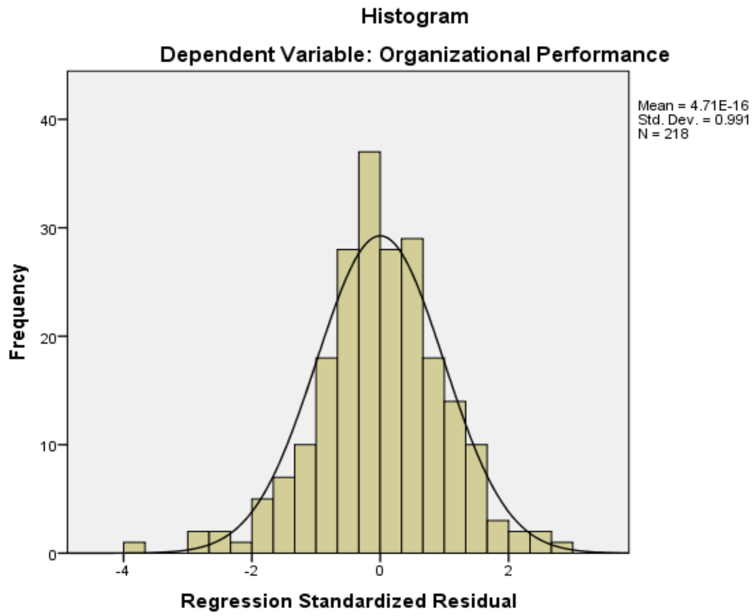


Figure 4: Histogram of Regression Standardized Residual

4.8.1.2. The Normal probability plots

Normal probability plots are most reliable method for verifying the normality assumption is the normal probability plot. According to Joseph and et al (2019), if the data are normal, the actual data distribution roughly matches the diagonal line. According to Hair et al. (2010), residuals are said to be normally distributed if the values of normal probability plots of the residuals lie along the diagonal line without significantly deviating from it. Since the residual values closely follow the diagonal line, as shown in the following figure, the normality condition is not violated.

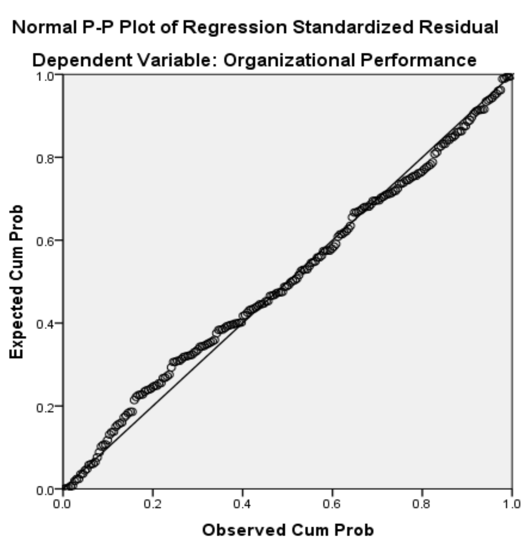


Figure 5: Normal Probability Plot of Standardized Residuals

4.8.1.3. Independent Errors (Autocorrelation)

According to Field (2005), the terms of residuals for any two observations should be uncorrelated or independent of each other. This is frequently referred to as a lack of autocorrelation. Autocorrelation renders confidence intervals and significance tests invalid. The Durbin-Watson test, which looks for serial correlation between residuals, can be used to evaluate the assumption of independent error. The test statistic ranges from 0 to 4, with a value of 2 indicating no autocorrelation between neighboring residuals. A number larger than 2 indicates the presence of negative correlation, whereas a value less than 2 shows the presence of positive autocorrelation. Autocorrelation is a reason for worry when the value is less than one or larger than three.

Based on this assumption, The Durbin-Watson test result is **1.611**, as shown in the below table, which is reasonably near to the accepted threshold of no autocorrelation which is value of 2. So, the researcher can conclude that the independent error assumption is not violated.

Table 15: Autocorrelation

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.762[a]	.581	.573	.51174	1.611
a. Predictors: (Constant), Adaptability, Mission, Consistency, Involvement					
b. Dependent Variable: Organizational Performance					

Source: Researcher's survey output, 2023

4.8.1.4. Linearity

The linearity assumption is based on the premise that the independent variable relates to the dependent variable in a linear fashion. If this assumption is not met, applying the regression model to represent the relationship between the dependent and independent variables is certain to be erroneous (Kelley and Bolin, 2013).

According to Osborne and Waters (2002), a regression model can only assess the connection between dependent and independent variables if the variables have a linear relationship. One method for testing the linearity assumption is to create a **scatter plot** of the residual values vs the value of the model's anticipated result. And if there is no regular relationship among the model's errors and what the model predicts, linearity is valid (Field, 2005). The scatter plot figure stated under indicates no regular relationship between the model's mistakes and what the model predicts. As a result, the premise of linearity is supported.

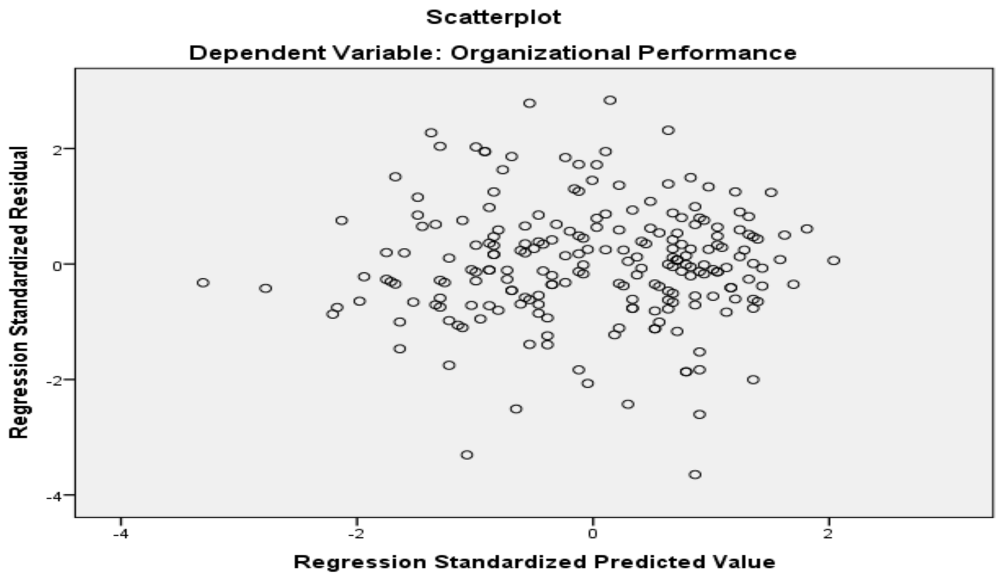


Figure 6: scatterplot Diagram

4.9. Multiple Regression Analysis

Regression analysis is by far the most extensively used and adaptable approach for answering research problems requiring prediction or explanation (Joseph and et al, 2010). Regression analysis is concerned with determining the dependency of the dependent variable on the dependence of the independent variable with the goal of estimating the mean of a dependent variable in terms of the known or fixed value of the independent variable (Gujarati, 2004).

Here the researcher conducted multiple regression analysis to investigate the relationship between organizational culture variables (Mission, Consistency, Involvement, Adaptability) and organizational performance. R2 is the coefficient of regression, which reflects the proportion of a dependent variable that can be explained by the independent variables.

The table below shows the results of the multiple regression analysis. The squared multiple correlation coefficients (R2) indicate the degree of variance in the dependent variable (organizational Performance) explained by the model described below.

Table 16: Model Summary of Regression Analysis

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.762[a]	.581	.573	.51174	1.611
a. Predictors: (Constant), Adaptability, Mission, Consistency, Involvement					
b. Dependent Variable: Organizational Performance					

Source: Researcher's survey output, 2023

Multiple regressions between organizational culture (predictors) (adaptability, mission, consistency, and involvement) and organizational performance (outcome variable) are shown in the results of the above table. The organizational culture (Adaptability, Mission, Consistency, and Involvement) and organization performance are correlated in this model, with an R-value of 0.762.

R Square value of 0.581 indicates organizational culture (Adaptability, Mission, Consistency, Involvement) is responsible for 58.1% of the variation in organization performance. Put differently, 58.1% of the variation in organizational performance is explained by organizational culture (Adaptability, Mission, Consistency, Involvement). This means that the remaining 41.9% of variations in organization performance can be explained by variables other than organizational culture (Adaptability, Mission, Consistency, Involvement).

Table 17: ANOVA Table

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.259	4	19.315	73.755	.000[b]
	Residual	55.780	213	.262		
	Total	133.038	217			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Adaptability, Mission, Consistency, Involvement						

Source: Researcher's survey output, 2023

An ANOVA table shows whether the model successfully predicts the dependent variable to a significant degree (Field, 2005). The significance level (P-value) of the model is less than 0.05, which is (p=0.000), as can be shown in ANOVA table 17. This shows that organizational performance is substantially predicted by organizational culture (adaptability, mission, consistency, and involvement). The variation that the models describe are statistical rather than the result of chance. This shows that the models are acceptable.

Table 18: Regression Coefficient Table

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.728	.167		4.347	.000
	Mission	.189	.065	.208	2.905	.004
	Consistency	-.064	.074	-.063	-.867	.387
	Involvement	.162	.081	.176	1.996	.047
	Adaptability	.471	.076	.499	6.165	.000
a. Dependent Variable: Organizational Performance						

Source: Researcher's survey output, 2023

Regression Coefficients (b and Beta): According to Hair et al. (2019), the regression coefficient and the standardized regression coefficient show how much the dependent variable changes when the independent variable changes.

On the other hand, the unstandardized beta coefficient tells us about each factor's unique contribution to the model. A high beta value and a small p value (<0.05) imply that the predictor variable contributed statistically to the model. A tiny beta value and a high p-value (p >0.05), on the other hand, suggest that the predictor variable makes little or no substantial contribution to the model. Ggorge and colleagues (2003)

Standard Error of the Coefficient: This is an estimation of how much the regression coefficient will differ between samples of the same size taken from the same population. The smaller the value of the standard error, the more reliable prediction is (Hair et al, 2019).

For this study the researcher had conducted regression coefficient using unstandardized regression coefficient. Based on this, when we see the table 18; The relationships between four dimensions (Adaptability, Involvement, Mission, and Consistency) and Organizational Performance. The findings provide valuable insights into the importance of these factors for organizational success.

Firstly, the analysis revealed a highly statistically significant positive relationship between Adaptability and Organizational Performance. The coefficient of 0.471with p-value 0.00 suggests that organizations demonstrating higher levels of Adaptability are expected to have better performance outcomes compared to those with lower levels. This emphasizes the significance of being able to adapt to changing circumstances and environments in order to achieve organizational success.

Secondly, the variable Involvement also showed a statistically significant positive relationship with Organizational Performance. With a coefficient of 0.162 and a p-value of 0.047, these results indicate that organizations fostering a culture of employee involvement and engagement are likely to experience improved performance outcomes. This underlines the importance of actively involving employees in decision-making processes and creating an inclusive work environment.

Additionally, the analysis revealed a statistically significant positive relationship between Mission and Organizational Performance. The coefficient of 0.189 and a p-value of 0.004 indicate that organizations with a clear and well-defined mission statement, and actions aligned accordingly, tend to achieve better performance outcomes. This highlights the importance of establishing a compelling mission that guides the organization's strategies and motivates employees towards common goals.

However, when considering the variable Consistency, the analysis did not find a statistically significant relationship with Organizational Performance. The coefficient of -0.064 suggests a negative relationship, but the p-value of 0.387 indicates that this relationship is not statistically significant at the conventional significance level of 0.05. While the coefficient suggests a potential negative impact, further research may be needed to explore this relationship more comprehensively.

In conclusion, the findings of this study demonstrate the strong positive relationships between Adaptability, Involvement, and Mission with Organizational Performance. These relationships are statistically significant, suggesting that organizations that prioritize and enhance these factors are more likely to achieve improved performance outcomes. These relationships are not likely due to chance, as evidenced by their low p-values. Therefore, organizations that prioritize and enhance Adaptability, Involvement, and Mission are more likely to experience improved performance levels. The results highlight the importance of being adaptable, involving employees, and aligning actions with a well-defined mission to enhance organizational performance.

To further evaluate the effect of organizational culture on organizational performance, a multiple linear regression analysis was conducted. This statistical method allows for the examination of the relationship between multiple independent variables (in this case, organizational culture) and a dependent variable (organizational performance). The results of the analysis provide insights into the extent to which organizational culture influences performance.

1. Dependent Variable: Organizational Performance
2. Predictors: (Constant), (Mission, Consistency, Involvement, Adaptability)

Multivariate regression model is applied to determine how organizational culture in Cooperative Bank of Oromia affects performance. The following model is used with four predictor variables that is X1 (Mission), X2 (Consistency), X3 (involvement) and X4 (Adaptability). And Y (is dependent Variable-Organizational Performance)

From the significant and insignificant cultural dimensions to Organizational Performance of Cooperative Bank of Oromia using organizational performance can construct the model as follows.

$Y= \alpha + \beta 1X1+ \beta 2X2+ \beta 3X3+ \beta 4X4\ldots$

Organizational Performance = 0.728+ 0.189 Mission +(-0.064 consistency) + 0.162 Involvement + 0.471 Adaptability.

The above results revealed that Mission, Involvement, and Adaptability have statistically significant positive relationships with Organizational Performance.

A one-unit increase in Mission was associated with a 0.189 increase in Organizational Performance, indicating the importance of having a clear and well-defined mission statement that aligns actions and strategies for improved performance. Involvement also showed a significant positive relationship, as a one-unit increase in Involvement led to a 0.162 increase in Organizational Performance. This suggests that fostering employee engagement and involvement can positively impact performance outcomes. Similarly, Adaptability demonstrated a highly significant positive relationship, with a one-unit increase associated with a 0.471 increase in Organizational Performance. This emphasizes the importance of organizations being able to adapt and respond effectively to changing circumstances and demands.

On the other hand, Consistency did not have a statistically significant relationship with Organizational Performance. This suggests that while Consistency may be important, its impact on performance outcomes may be less influential or influenced by other factors not considered in the analysis.

4.10. Hypotheses Testing

Four hypotheses were formulated for this study and examined by analyzing standardized regression coefficients and the statistical significance values obtained from the multiple regression coefficient table.

Hypothesis one: There is a positive relationship between Organizational culture 'mission' and organizational performance.

From the model of regression coefficient table;

1. The standardized coefficient (Beta) for 'mission' is 0.208.
2. The associated p-value is 0.000, which is less than the typical significance level of 0.05.

This means mission significantly ($p<0.05$, which is 0.00) and positively (beta value is positive (0.208) indicates a positive relationship between 'mission' and organizational performance. Therefore, we have evidence to support and accept hypothesis one (There is a positive relationship between Organizational culture 'mission' and organizational performance).

Hypothesis two: There is a positive relationship between Organizational culture 'consistency' and organizational performance.

From the multiple regression coefficient table;

1. The standardized coefficient (Beta) for 'consistency' is -0.063.
2. The associated p-value is 0.387, which is greater than the typical significance level of 0.05.

The above result means which are the standardized coefficient of -0.063 indicates a negative relationship between 'consistency' and organizational performance. However, the p-value of 0.387 is not statistically significant. Therefore, we do not have sufficient evidence to support Hypothesis two (There is a positive relationship between Organizational culture 'consistency' and organizational performance) and therefore we reject it.

Hypothesis three: There is a positive relationship between Organizational culture 'involvement' and organizational performance.

From the multiple regression coefficient table;

1. The standardized coefficient (Beta) for 'involvement' is 0.176.
2. The associated p-value is 0.047, which is less than the typical significance level of 0.05.

The above result indicated by standardized coefficient of 0.176 suggests a positive relationship between 'involvement' and organizational performance. Moreover, the p-value of 0.047 indicates that this relationship is statistically significant. Hence, we have evidence to support and accept hypothesis three that (There is a positive relationship between Organizational culture ‘involvement’ and organizational performance).

Hypothesis four: There is a positive relationship between Organizational culture ‘adaptability’ and organizational performance.

From the multiple regression coefficient table;

1. The standardized coefficient (Beta) for 'adaptability' is 0.499.
2. The associated p-value is 0.000, which is less than the typical significance level of 0.05.

The standardized coefficient of 0.499 indicates a positive relationship between 'adaptability' and organizational performance. Furthermore, the p-value of 0.000 suggests that this relationship is statistically significant. Therefore, we have evidence to support and accept hypothesis four (There is a positive relationship between Organizational culture ‘adaptability’ and organizational performance).

Generally, based on the above hypothesis results; hypotheses one, three and four which means three cultural dimensions (Involvement, adaptability, and mission) have positive significant relationship to organizational performance.

CHAPTER FIVE

5. SUMMARY OF MAJOR FINDING, CONCLUSIONS AND RECOMMENDATIONS

In this research project, the researcher tries to examine the effect of organizational culture on the organizational performance in Cooperative Bank of Oromia. This section of the research project provides a summary of the key findings, conclusions, and recommendations, along with suggestions for future research. The chapter begins by outlining the main research findings, followed by the study's conclusions. Lastly, the chapter concludes by offering recommendations and suggestions for future research.

5.1. Summary of Major Finding

The major finding of this research project was discussed as following:

From the total respondent (66.5%) of respondents were male, whereas, the remaining (33.5%) were female. (43.1%) of respondents were between the age of 21 to 30 followed by the age between 31 and 40 which accounts for (42.2%) of the total. While (12.4%) and (2.3%) of them were between the age of 41-50, and greater than 50 years, respectively. Majority of respondents (60.6%) were first Degree holders followed by Master's Degree holders (38.5%), and Ph.D. holders accounts for 0.9% of them. Majority of respondents (47.2%) have 6 to 10 years of experiences in the bank. And (29.8%), (19.3%), and (3.7%) of them have less than five years, between 11 and 15 years, and 16 years and above years of experiences, respectively. More than half of respondents (55.5%) were professionals, followed by lower level management which accounts for about (29.4%), then middle level management which account for (11.9%) And finally, (3.2%) were top level management.

Based on the result of the descriptive statistics of independent variable the mean score of organizational culture dimension (i.e., Mission, Consistency, Involvement, Adaptability) has been (3.4), (3.3), (3.5), and (3.5), respectively which all are moderate level.

The result of correlation analysis matrix shows there was strong correlation between all organizational culture dimensions (i.e., Mission, Consistency, Involvement, Adaptability) and organizational performance. There was a good and positive correlation between Adaptability and organizational performance by scoring Pearson Correlation Coefficient of r = 0.738, with p-value of 0.000, 2-tailed test and followed by involvement with Pearson Correlation coefficient of (r = 0.690, p-value of 0.00, 2-tailed test) and then also there is positive correlation between Mission and moderately with consistency at Pearson correlation coefficient of (r=0.600, p-value of 0.00), (r=0.536, p-value of 0.00) respectively.

The result of multiple regression analysis has shown that organizational culture has positively and significantly predicted organizational performance with the coefficient of determination (R-Square) of 0.581 which means 58.1%.

5.2. Conclusions

Individual beliefs, assumptions, values, and artifacts all have an impact on organizational success (Indiya et al, 2018). As a result of a better understand of the conception of organizational culture, employees in organizations are able to address problems and increase organizational performance (Ojo, 2014).

In accordance with the facts stated above, the researcher conducted a scientific review with the primary goal of determining the effect of organizational culture on performance organization. Based on the research analysis, the following conclusions are reached;

The study found that mission, involvement and, adaptability dimensions of organizational culture are moderately practiced in Cooperative Bank of Oromia. The study also found that the consistency dimension of organizational culture is practiced at lower level in Cooperative Bank of Oromia.

5.3. Recommendations

Based on the findings and conclusion\, the following recommendations are proposed by the researcher:

1. According to the findings of a descriptive analysis of the mission attribute of organizational culture, this characteristic is moderately practiced at the Cooperative Bank of Oromia. As a result, it is advised that the bank effectively communicate to workers and foster a shared understanding of why they perform the work they do (mission) and how the work they do each day contributes to the attainment of its vision. The bank should also make sure that

the mission is communicated well among all employees because; mission is the base for any business.

2. According to the research findings, the consistency dimension of organizational culture has a negative relationship with the bank's organizational performance. This demonstrates that the bank's working consistency culture is quite low. As a result, the bank should consider the influence of consistency on its performance. And as a result, it is recommended that the bank increase this dimension by defining a clear set of fundamental principles, core values, stimulating discourse, and coordinating, integrating work, well-defined and unshakable set of values that constantly govern its business practices.
3. As result of involvement dimension of organizational culture suggests that employees in Cooperative Bank of Oromia are moderately involved. As a result, it is recommended that the bank should encourage and support employee participation on different decision in the bank, as well as also creating a sense of ownership and responsibility by creating a platform where employees' perspectives may be heard.
4. The adaptability attribute is also moderately practiced at Cooperative Bank of Oromia. Because the business world is constantly changing and adaptability is the core culture to follow the change, it is recommended that the bank always look for new and improved ways to get things done, and should always welcome new ideas and try new approaches to doing things.

5.3.1. Future Research Direction

The following are some of the recommendations for future studies:

The researcher is confident that the outcomes of this study have brought additional relevant insight to the current understandings of the topic researched. As a result, it may be utilized as a reference for future study in this field. Only one commercial bank is used as case study. As a consequence, the researcher advocates a similar research on industry-wide. As a result, this is one of the most promising areas of future research.

The researcher also recommends future researchers to do the same study in other industries (such as insurance, manufacturing companies, corporate industries, governments, NGOs, and so on) so that the results can be generalized.

This research utilized Denison's Model of organizational culture. While no model is entirely comprehensive or entirely accurate in accounting for all influences on a variable of interest, the researcher recommends that future studies use other models and focus on the impact of organizational culture on financial or non-financial performance. This can be achieved by either subdividing the analysis or by considering the interests of stakeholders in a more general sense.

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Annex I

Questionnaire

Addis Ababa University
School of Commerce
Masters of Business Leadership Graduate Program

Dear Respondent,

I am graduate students in the field of Business Leadership at Addis Ababa University School of Commerce. I would like to seek your assistance in completing the attached questionnaire which forms a basic part of MA project. The purpose of this research is to study **"THE EFFECT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE: IN CASE OF COOPERATIVE BANK OF OROMIA S.C"**. Therefore, your genuine and honest response is very important for the success of the research and the researcher would like to thank you for your cooperation in advance.

Kindly be assured that all information that you provide will be kept strictly confidential and used for academic purpose only. If you require any further information, want feedback on the study or unclear situation please contact through the following address;

- Email: nahomkebedezedd@gmail.com
- Cell phone: +251 962094262

General Instruction:

- No need to write your name.
- Instruction is given at the beginning of each part of the questionnaire.

PART I: Please put the tick "√" mark under the choice, write your opinion on the blank space

1. Age: 21-30 ☐ 31-40 ☐ 41-50 ☐ 51 and Above ☐
2. Gender: Male ☐ Female ☐
3. Education Level: First Degree ☐ Second Degree ☐ Other ☐
4. Year of Service at Coopbank: $\leq$ 5 years ☐ 6-10 years ☐ 11-15years ☐
   16years and Above ☐
5. Your Job Category: Top Level Management (President and V/Presidents) ☐
   - Middle Level Management (Senior Directors/Directors) ☐
   - Lower Level Management (Managerial/Supervisory) ☐
   - Professional Level ☐

Part II: Organizational Culture of Cooperative Bank of Oromia S.C

Please indicate the degree of your agreement/disagreement with the following statements associated with the four traits of organizational culture: Mission, Consistency, Involvement, and Adaptability in Cooperative Bank of Oromia S.C with their respective three indexes. **Please click on the circle** on the alternative choice that best describes your view using the five Point Likert Scale shown under.

Traits of Organizational Culture in Case of Cooperative Bank of Oromia S.C				
I. MISSION				
Strategic Direction and Intent	Strongly Disagree	Disagree	Neutral	Agree
1. There is a clear mission that gives meaning and direction to my job.				
2. Cooperative Bank of Oromia's strategic direction is clear to me.				
3. The bank has long-term purpose and direction.				
Goals and Objectives	Strongly Disagree	Disagree	Neutral	Agree
4. Leaders set goals that are ambitious, but achievable.				
5. Cooperative Bank of Oromia continuously follow its progress towards its goals.				
6. There is widespread consensus about the goals of thecompany.				
Vision	Strongly Disagree	Disagree	Neutral	Agree
7. Employees of Cooperative Bank of Oromia have a common vision of what the organization future state.				
8. Cooperative Bank of Oromia vision creates inspire and motivation for employees.				
9. Leaders have a long-term perspective.				
II. CONSISTENCY				
Core Values	Strongly Disagree	Disagree	Neutral	Agree
10. Leaders lead by example and align their actions with their words.				
11. Cooperative Bank of Oromia operates with a well-defined and unwavering set of values that guide its business practices consistently.				
12. There is an ethical code exists to provide guidance to employees on how to behave ethically and make distinctions between right and wrong actions.				

Agreement	Strongly Disagree	Disagree	Neutral	Agree
13. There is a consensus on the correct and incorrect approaches to doing things.				
14. In the face of disagreements, employees strive to find a mutually beneficial solution, aiming for a "win-win" outcome.				
15. Agreement can be easily achieved, even in the presence of conflicting issues.				
Coordination and Integration	Strongly Disagree	Disagree	Neutral	Agree
16. It is easy to coordinate projects across different parts of the bank.				
17. The business approach is highly consistent and predictable.				
18. Employees across various departments of the organization hold a shared viewpoint.				
III. INVOLVEMENT				
Empowerment	Strongly Disagree	Disagree	Neutral	Agree
19. Employees have a strong belief in their ability to make a positive impact on Cooperative bank of Oromia’s performance.				
20. Decisions at the Bank are taken at the levels where the necessary information is accessible.				
21. Information is extensively shared within the bank, enabling employees to easily access the information they require.				
Team Orientation	Strongly Disagree	Disagree	Neutral	Agree
22. Teamwork is prioritized for accomplishing tasks, rather than emphasizing hierarchical structures.				
23. Employees work with a strong sense of belonging and collaboration as part of a team.				
24. There is a strong culture of promoting collaboration and cooperation within the bank.				
Capability Development	Strongly Disagree	Disagree	Neutral	Agree
25. The abilities of employees are recognized as a valuable asset that contributes to a competitive edge.				

26. Delegation of authority grants employees the autonomy to make decisions within the bounds of their discretion.				
27. Employees' skills and capabilities are continuously developed through consistent investment.				
IV. ADAPTABILITY				
Creating Change	Strongly Disagree	Disagree	Neutral	Agree
28. Cooperative Bank of Oromia effectively responds to competitors' actions and adapts to changes in the business environment.				
29. Continuous efforts are made in the bank to adopt improved methods of work execution.				
30. All department within the bank collaborate to drive and implement change.				
Customer Focus	Strongly Disagree	Disagree	Neutral	Agree
31. Changes are frequently prompted by customer feedback.				
32. Employees have a comprehensive understanding of customers' desires and requirements				
33. Customer input has a direct impact on decision-making at various levels within the bank.				
Organizational Learning	Strongly Disagree	Disagree	Neutral	Agree
34. Continuous learning is a significant objective embedded within employees' day-to-day work.				
35. Innovation is actively promoted and recognized through incentives or rewards in the bank.				
36. The Bank considers failures as valuable opportunities for learning and improvement.				

Part III: Organizational Performance of Cooperative Bank of Oromia using BSC Measures

Please rate, on a scale of "very little extent" to "very great extent", the achievement of Cooperative Bank of Oromia in the performance areas mentioned below:

To what extent does Cooperative Bank of Oromia achieve its organizational Performance in Financial Perspectives, Customer Perspective, Internal Business Perspective and Innovation and Learning Perspective

	To a very little extent	To a little extent	To some extent	To a considerable extent	To a very great extent
Financial Perspective					
1. In your opinion, how efficient is Cooperative Bank of Oromia S.c in managing its expenses					
2. To what extent do you believe the Cooperative Bank of Oromia S.c is achieving its financial goals and targets					
3. To what extent do you believe the organization's profitability contributes to its overall success?					
Customer Perspective					
4. Customers are satisfied with the quality of the Banks' goods and services.					
5. The Bank has excellent image and favorable reputation by its customers.					
6. The Bank maintains a strong customer relationship compared to other competing banks.					
Internal Business Perspective					
7. Customers are served within the bank's designated standard delivery time (SDT).					
8. Customers are highly satisfied with the Bank's after-sales service.					
9. The Bank offers a satisfactory range of products and services to meet the needs of its customers.					
Innovation & Learning Perspective					
10. Employees in the Bank demonstrate a high					
11. I have confidence that my service to the company and the contributions I have made are valued and recognized					
12. The staff members with whom I work possess the necessary skill set to contribute to the success of the Bank.					

Thank You!!!