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The Effect of Organizational Culture on Organizational Performance: The Case of Commercial Bank of Ethiopia

*A Final Project work Submitted to Addis Ababa University, School of Commerce in
Partial Fulfilment of the Requirements for the Degree of Master of Business
Leadership*

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Addis Ababa

Declaration

I declare that the project work entitled “Effect of organizational culture on organizational Performance in the Case of commercial Bank of Ethiopia” is my original work and has not been presented Addis Ababa University or any other University, and that all sources of material used for the project have been duly acknowledged.

Declared by:

Samuel Ambaw

Signature

Date

Statement of Certification

I certify that Samuel Ambaw has carried out his project work entitled “Effect of organizational culture on organizational Performance in the Case of commercial Bank of Ethiopia” under my guidance. The project work is submitted in partial fulfilment of the requirements for the Degree of Master of Business Leadership.

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Addis Ababa University college of Business and Economics
School of commerce

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Case of Commercial Bank of Ethiopia**

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ABBREVIATIONS/ABBRIVATIONS

- **CBE – Commercial Bank of Ethiopia**
- **OC – organizational Culture**
- **SPSS - Statistical Package for Social Sciences**
- **SD -Standard Deviations**
- **PMS - Performance Management System**
- **NFPM-Non-Financial Management System**

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Abstract

Organizational culture refers to shared assumption that define an organization's characteristics like norms, belief, attitude and assumption that shape the way employees in an organization conduct and get things done. Organizational performance is multiple organizational activities to achieve the goal and objectives of an organization. It shows how effective the organization in achieving the outcome that has been planned. Non-financial performance is performances that cannot be measured using monetary value, like customer satisfaction, employee engagement, market share etc. And it has a critical impact in the improvement of financial performance.

This study targets to investigate the effect of organizational culture in the organizational performance in the case of commercial bank of Ethiopia one of the largest and oldest government owned commercial bank in Ethiopia. The study uses Denison's Model of organizational culture with four dimensions namely – Mission, Adaptability, Involvement and Consistency. Samples of 300 managerial employee of the organization have been selected from the total population of 1206 managers using Yamane's statistical formula. To investigate the case this study used causal or explanatory research design. Structured five point questioners of Likert scale and regression method of data analysis is used to assess the effect of organizational culture and organizational performance. The study data was analyzed using IBM SPSS Statistics20. Empirical reviews showed that having strong, pervasive, integrated and unique organizational culture improves the performance of an organization. The study generates findings that organizational culture has statistically significant relationship with organizational cultures dimensions. It is recommended that the organizational culture of the bank that is mission have higher impact for the organization non-financial performance. And the bank must have higher priority and employees must have better awareness. And the bank must strive to make the existing organizational culture better specially the adaptability culture of the bank must be improved

Key Words: *Organizational culture, Organizational financial Performance, non-financial performance*

Chapter one: Introduction

In this chapter the researcher mainly presents the background of the study, back ground of the organization, the problem statement, the research questions, the research objectives, scope of the research and the study limitation in detail.

1.1 The Background of the study

Organization culture is expressed as the underling belief, assumption, values and ways of communication that bring benefit to the distinctive social and psychological environment of a company. It includes organization expectation, experience, philosophy and also the values that lead member specific behaviour and observed in member self-image inner working interaction with the outside environment and future expectation. (Dewi.n & Wibow.R, 2020)

Culture is based on mainly people's shared attitudes beliefs, customs and rules that can be formally written and communicated or it can be unwritten that have been created over time in an organization and considered as valid to all member (the business dictionary). Similarly the dictionary meaning of performance is how effecting something or someone is at doing a job. It is also defined by Addisalem 2019, as the process or action of performing a function or task.

Commercial bank of Ethiopia evaluates its performance in terms of financial and non-financial aspects. Financial and non-financial performance is defined as follows financial performance: - It is the process of measuring the results or output of the organization policies and operation in terms of money. These results of the firm can be shown in the firm's return on investment, return on assets, value added etc.

Addisalem, (2019) Non-financial performance: - quantitative performance measures that can't be expressed in terms of money which refers to service quality, market share and employee satisfaction. Non-financial performance in the CBE context also includes the customer base

expansion (enhancing the number of users of CBE), customer satisfaction, expansion of digital channel user customers, adoption of innovations, employees retention etc.

Commercial bank of Ethiopia, the pioneer bank in Ethiopian banking industry, has also its own organizational culture that is adaptability, consistency, mission, involvement, team work etc. Organizational culture has positive impact on company's job performance (shahzad). Adaptability, mission, consistency, and involvement cumulatively affect the performance of banks of Abisinya. Addisalem (2019).

However all tells us the effect of organizational culture on the performance of organization as a whole therefore the research tries to investigate the impact of organizational culture that is adaptability, consistency, mission and involvement with its non-financial performance customer base expansion, expansion of digital channel user customers, customer satisfaction, adoption of innovations, and employees' retention.

Commercial Bank of Ethiopia (CBE) started its operation since the establishment of the State Bank of Ethiopia in 1942 and it was legally started its operation as a share company in 1963. CBE and the privately owned Addis Ababa bank had merged in 1974. Starting from this time, the bank has been playing very important and significant roles in the development of the country as intermediary of the financial activities.

Banks established to perform the banking as their major activities and CBE is the largest commercial bank in East Africa that provides the banking service. In the past decade, CBE has registered impressive growth. As at Sep. 30, 2021 it has 53.2 billion birr capital, a total of 64 thousand employees 36 thousand permanent and over 27 thousand contract employees. CBE expands its branch throughout the country and open more than 1700 branches. The total asset of the bank has crossed one trillion birr. It also promotes saving culture for the society and recruits over 32 million customers. CBE received the 2019 Global Business Outlook Award as the first best commercial bank from 267 banks in East Africa. (CBE annual report 2019/21)

Commercial Bank of Ethiopia financial performance for the fiscal year ended at June 30, 2021 shows total deposit of 145 billion and out of which 133 billion is private and individual deposits.

At the same period the non-financial performance like customer base of CBE reached 31 million. And also the digital banking users of mobile banking 3.3 million, CBE Birr 4.5 million, internet banking 19 thousand, CBE Birr Agent 9226 and CBE Birr merchant reached 19,842, ATM up time 83.44%. The market share for the year 2020/21 was 56.2%. Currently, the annual performance report by end of fiscal year 2020 shows that CBE has got a net profit of fourteen billion birr that achievement about sixty four percent of the bank plan for the year ended at 2019/2020. The bank Deployed more than 2,050 ATMs and 12,142 POS terminals at commercial centre and customer-friendly places, and the transaction volume of these channels is growing steadily year after year. (CBE Annual Report 2020, CBE 80th anniversary and new H.Q inauguration magazine, 2022).

Vision statement is the road map for the companies that show what they want to become and indicate initiatives that transform the company's growth. Vision statement will have very limited change or revision in the life of the business, but operational goals must be revised from year to year. Commercial Bank of Ethiopia has vision to become the World-class Commercial Bank by the year 2025. The Bank uses the mission statement for employees to emphasise on the strategies and goals of the organization. The mission statement of Commercial Bank of Ethiopia is 'We are committed to best realizing of stakeholders' equity through enhanced financial intermediation globally and supporting national development priorities by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology. We strongly believe that winning public confidence is the basis of our success. The Commercial Bank of Ethiopia (CBE) uses the balanced scorecard (BSC) performance management system tool since 2010 to formulate and implement its strategy and track its employee performance.

To formulate its strategy, the starting point was the statement of its vision, mission and values towards which a strategy should be geared. The BSC framework interprets the strategic themes by organizing the detailed directions of actions under each theme. The strategic objectives and their corresponding measures under four perspectives: financial, customer, internal- business – process and learning and growth that were adopted for CBE. (CBE corporate strategy 2020-23)

The researcher choose CBE as the study case organization due to the fact that the bank has contributed a lot for the country and it is the backbone of the Ethiopian economy for the last 80 years. Employees and customers of the bank witnessed that strong organizational culture of the

organization has that loses its strength from time to time, therefore as part of managerial staff of the bank the researcher is interest to investigate the case scientifically.

1.3 Statement of the problem

Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. (Karthikeyan, 2022)

Zakari, Poku, & Owusu-Ansah, (2013) studied the relationship between organizational culture and performance in Ghana banking industries using Denson's organizational survey model and expressed that there is positive relationship between organizational culture and performance.

Kuchki & Siahkale (2012) in their research conducted in Iran's ministry of information mention that there is urgent need to investigate organizational culture since the employees influence is higher with respect to culture of the employees on the performance of the organization.

And at the same scenes Idris, Wahab, & Jaapar, (2015) mention that, for improving organization's performance and to have successful communication it is important to study organizational culture integration with in the corporate group.

Yesil and Kaya (2012) studied the effect of organizational culture on financial performance of developing country without considering non-financial performance and conclude that there is no relationship between organizational culture and financial performance.

Polychronou and Trivellas in their study about the impact of organizational culture on organizational performance expressed that there is positive relationship between culture and performance without considering non-financial dimensions of performance.

In his model of 1990 that many researchers used Daniel Denison's express organizational culture has four general dimensions namely – Mission, Adaptability, Involvement and Consistency. These four general dimensions are further elaborates by the following four sub-dimensions:

Mission – Strategic Direction and Intent, Goals and Objectives and Vision

Adaptability – Creating Change, Customer Focus and Organizational Learning

Involvement – Empowerment, Team Orientation and Capability Development

Consistency – Core Values, Agreement, Coordination/Integration

Similarly organizational performance is also defined as the degree of achievement of the mission at work place that creates an employee performance or job. (Cascio, 2006)

(Addisalem, 2019), also defined performance by dividing in to financial and non-financial performance separately as the follows and also expressed Financial Performance as 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. And define Non-Financial Performance as quantitative measures that cannot be expressed in monetary units which refers to service quality, market share and employee satisfaction. In CBE performance evaluation methods is based on the financial and non-financial achievement where the non-financial performance includes customer base expansion, digital channel user expansion, retention of employees/ customer satisfaction, willingness to render quality service /organizational commitment, adoption of innovation and others that have directly or indirectly considered as the non-financial target of CBE that will be explained using the non-financial performance dimensions like customer, learning and growth and internal process.

Still it is not secret for one managerial position employee about the organizational culture of CBE which comprises exercise team work, being procedural, centralized way of management, visionary and missionary and etc. which is included in the Daniel Denison's model. And there are various researches that shows the impact of organizational culture and performance in general for instance it is said that Organizational culture has serious impact on the performance of employees that can cause to improve in the productivity and enhance the company performance (Shahzad, 2012) organizational culture has positive relationship and effect on organizational performance. (Addisalem, 2012).However I couldn't find any works that shows the specific impact of organizational culture of CBE on the non-financial performance of CBE.

Also most studies give more focus on the effect of organizational culture on financial performance and even if the financial performances has a greater impact on the overall performance of the organization the focus given is very low and most studies do not represent the Ethiopian organizational culture context so, this paper tries to investigate the impact of

organizational culture of CBE i.e. adaptability, consistency, involvement and vision on the non-financial performance of the bank.

1.4 Research questions

In analysing the effect of organizational culture on the non-financial performance of CBE the target population were the employees of CBE in the city of Addis Ababa. In order to achieve the intended objectives of the study and to address the research problem properly; the following research questions were designed.

1. What kinds of culture setup are practiced in Commercial Bank of Ethiopia?
2. Does the prevailing organizational culture affect the non-financial performance of Commercial Bank of Ethiopia?
3. Which organization culture is the most determinant of non-financial performance of the Commercial Bank of Ethiopia?

1.5 Objective of the Study

The main purpose of the study was to explore the effects of organizational culture on the non-financial performance of Commercial Bank of Ethiopia in all Addis Ababa districts.

In addition to this general objective; the study specifically addressed the following specific objectives:

- Assessed the fundamental organizational culture of commercial bank of Ethiopia.
- Determine the relationship between the organizational culture and Non-financial performance of CBE.
- Identify the organizational cultures that significantly affect the non-financial performance of CBE.

1.6 Significance of the study

The result of the paper has significant important to understand the impact of the existed organizational culture of CBE on the non-financial performance, which is equally important with

the financial performance of the bank, and now a days there are a number of private functional banks in Ethiopia in addition to this there are also number of other private banks under formation this makes the computation among banks tough as they gives identical service.

Therefore the study will have the following importance for the bank uniquely. Provide opportunity for the respective decision makers of the bank to identify among the existing cultures that are in favour or hinder the banks non-financial performance and took corrective measures accordingly It describes the concerned managerial staff observation, who are the first to take responsibility for the achievement and failure of the branch target, therefore the conclusion and recommendation of the paper have significant importance for the banks business development department.

In today's business environment leading a business require a leader that creates strong organizational culture to bring better organizational performance. In this regard the research is significant in developing and identifying critical organizational cultures of the business and help business leaders to quickly make decisions by tacking the organizational culture of the business in to consideration.

And also research can use the research as a baseline to study the organizational performance effect on organizational performance in a broader scope.

1.7 Scope of the study

Even though the title of the study is the effect of organizational culture on organizational performance the researchers study only the non-financial performance only due to time and information availability consideration. In assessing the impact of organizational culture on the non-financial performance of CBE primary data from the banks randomly selected branch employees but from the managerial staffs and their respective business support employees in their district was used this is because the banks trend for performance management, both financial and non-financial, is based on annual target given at the beginning of the fiscal year for every branches and line managers are responsible for the performance measure.

And the branch management staff and the respective business support employees in the

respective district of the branch are on the first line to take responsibility for the achievement of the target. Therefore the primary data collected from these employees via questionnaires became genuine information source for the study but due to time and resource consideration we cannot take all employees of the bank throughout the country. Out of 30 districts found in CBE only 8 districts found in addis abeba are considered. Though performance management in CBE is evaluated based on the achievement of both financial and non-financial targets the study focus on the impact of organizational culture on non-financial performance of CBE.

1.8 Limitation of the study

The focus of this study was to investigate the impact of organizational culture on non-financial performance of CBE and used primary data collected via questionnaires from the randomly selected managerial staffs and their respective business support employees found under Addis Ababa districts of the bank as an input and did not include the idea of those employees found at the front line since those line managers are the responsible person in the bank to cascade, follow up the implementation and all related planning issues until the final targeted performance is accomplished. And since most of them are senior employees of the bank they have a great role in creating the culture of the bank. And also branches outside of Addis Ababa cities are not included due to shortage of time.

The primary data obtained have been affected by distance, working environment, etc. but the study is focused only on CBE branches found in Addis Ababa city, the study also became more complete if it includes information from some private owned banks however it include none of them.

1.9 Organization of the paper

The research report was organized into five chapters: Chapter one focuses on the background of the study, problem statement, objectives and significant of the study. In chapter two, a range of literatures review was captured there to gather relevant information concerning impact of organization culture on non-financial performance.

In chapter three, detail of methodology followed to achieve results is outlined. It includes the

study design, sampling, sampling technique and data analysis. Chapter four contained results and discussion from the study supported with findings from other research works. Chapter five focuses on main findings, conclusions and recommendations of the study.

1.10 operational Definitions of key terms

Culture – is the system of shared belief, values, practice and artefacts that group member use to understand, cop with and interact with one another and their environment, and transmitted from generation to generation through participation and learning. (www.ferris.edu, May 2021)

Organizational culture – is the underlining belief, assumptions, values and the way how employees work together that contributes to the unique social and psychological environment of an organization. (www.gothamculture.com May 2021.)

Non-financial performance – are performance that measures the company performance in a non-monetary or non-money term to understand the quality of the product or service that a company offers. (www.efinancemanagement.com May 2021)

Performance – level or degree of goal achievement of objectives or potentially possible accomplishment regarding the important characteristics of an organization for the relevant stakeholders. (www.reserchgate.net/published/316630175 May 2021)

Vision statement – clearly show the preferred or desired future position of the company to reach after a given period.

Mission statement – defined the organization’s business, objectives and approach in order to reach those objectives. (www.merriam-webster.com May 2021)

Chapter two: Literature Review

2.1 Introduction

This chapter mainly focus on the definition of culture, organizational culture and non-financial performance. Since the study main focus is determining the effects of organizational culture on non-financial performance it will try to see the previous studies and written literature that have direct relation with the topic.

2.2 Basics of organizational culture

2.2.1 Definition of organizational culture

Organizational culture is defined in various research papers and book almost in the same way to see some of the definitions; it is defined as a system of shared assumptions, values, and beliefs, which guides how employees in the organization behave.

Scholars and practitioners have found it difficult to find universally acceptable definition of culture. Culture is simply people perceptions created by some group or learn and developed by a given group to repeal externally adapted and internally integrated problems. And it is a must to learn it for new member since it is considered valid and correct way to perceive, think and feel in order to solve the mentioned problems. (Schein 2018)

Organizational culture is the collection of shared values, theories and norms of the organization that govern the way workers perform their jobs and also the behaviour they show in the work place. (Odor 2018)

The right and good culture align the behaviours and values of the employee and the company's strategy. Culture is the way people do their task. Getting the right and good culture may not solve banks various and large problem but, effective and efficient culture can be used as a glue to bind banks governance, banks risk management, compliance management and system control and the like and help to make them very strong. (delotte Bank survey 2013)

Organizational cultures answer the question what really working in the specific organization mean, it is the DNA of the organization that distinguish it from the other similar companies. (Jacobs & Rockett 2020)

Schein defined organization culture as having a number of features including a shared “pattern of basic assumptions” that employees acquired over time after learning how to cope successfully with internal and external organization relevant problem.

Ravasi and Schultz (2006) characterize organization culture as a collection of shared assumptions that that show how employees behave in an organization.

2.2.2 Characteristics of organizational culture

Claver, Llopis, Garcia and Molina (1998) express innovation or risk orientation culture organization as an organization that gives special focus on creating new products, service, ideas etc. it gives a room for their employees to take risk and to be creative in their jobs. In other side those companies that do not give high value for innovation characteristics do not give their employees the freedom to take risk rather they expect their employees to do their job as usual and will not get performance improvement.

The characteristics of organizational culture called attention to detail (precision orientation) organizational pressurize their employees to show some level of perfection or to be accurate in their job. Organizations with a higher focus attention to detail expects from their employee a higher level of precision on their work and the vice versa. (<https://bizeducator.com>)

Emphasis on the outcome (Achievement oriented) characteristics are mainly explained organizations that give special attention only for the result obtained not how the result is obtained use this organizational culture. Companies mainly gives emphasis for this culture type push their employees to bring the expected out comes by doing whatever it costs. (<https://study.com>)

Emphasis on people (fairness orientation) companies that gives focus for emphasis on people culture has a great concern on their decision for not affecting negatively the employees in their organizations. These companies treat their employees well with due respect and good dignity.

Team work (collaboration orientation) organization that perform their main activities mainly through team rather than using individual effort gives higher value for team work culture. Employees of such organization tend to have best and positive relationship with their colleagues and supervisors.

Aggressiveness (competitive orientation) organization that gives special focus for aggressiveness characteristics of organizational culture need their employees to compete at all cost with their competitors and outperform them.

Competitive orientation organizational culture characteristics indicate whether employees should be assertive or easy going while competing with competitors.

Stability (rule orientation) organizations having higher focus on this characteristics of organizational culture are seriously rule oriented, predictable and have a lengthy process or bureaucratic in nature. . (<https://study.com>)

2.2.3 Common Types of Organizational culture

From the various classification of organizational culture the well-known one is competing value framework or model by kim Cameron & Robert quim.

In every organization we found all of the four cultures but one of them might be more dominant or significant culture of the organization. The four organizational cultures of Cameron and Roberts quim are Adhocracy, clan, hierarchy and market. . (Yesil & Kaya 2013)

Competing Values Framework

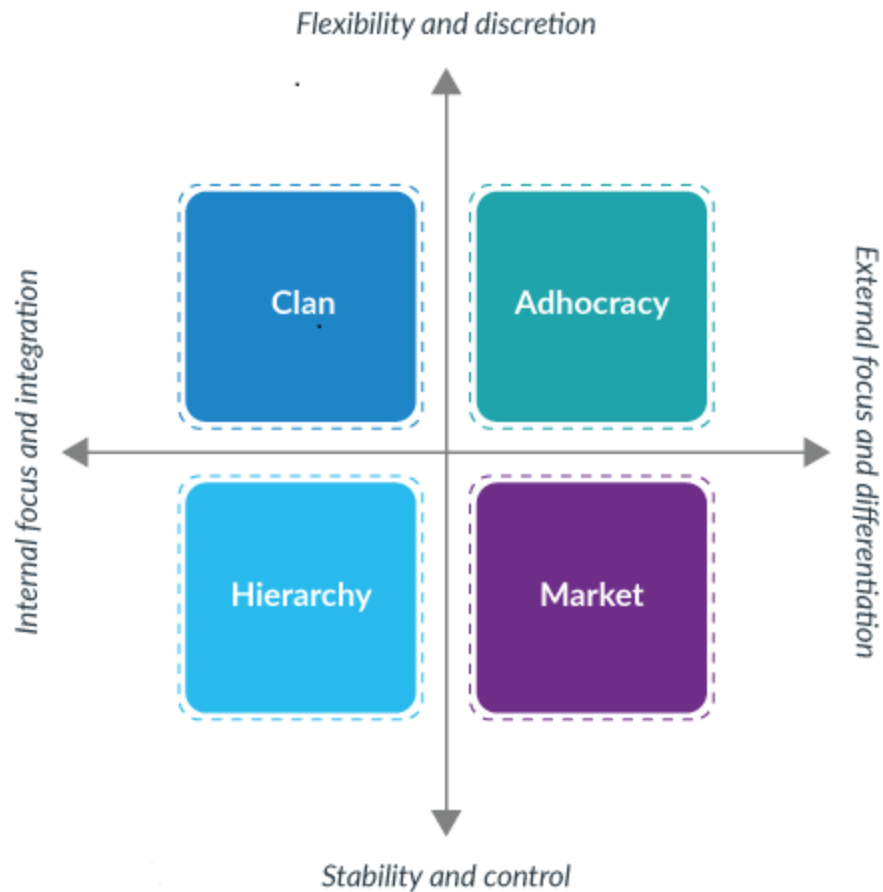


Fig. 2.1 Competing Value Framework

Adhocracy culture: is well-known by its flexibility and it's not revealed by rigid and bureaucratic procedures and policies. In case of large organization that has sophisticated organizational structure this culture is not feasible all over the organization except for some department. (Yesil & Kaya 2013)

Organizations with adhocracy culture have characteristics of dynamic, innovative, entrepreneurial and creative work environment.

This culture focus on developing new products or service, high growth, high productivity, change and adaptability.

Organizational culture that takes adaptability as its characteristics affects the organization performance the organization performance positively

In developing successful adhocracy culture giving employees the freedom to express their golden

ideas, having employees brainstorming sessions, rewarding the employees better idea have a great impact. (Yesil & Kaya 2013).

Clean culture : commonly used for small and family business with peoples strong common interest. Employee of an organization having this culture valued highly and they also have high engagement that bring high customer satisfaction.

In order to have a successful clean culture leaders must listen to their employees, understand their idea, giving regular feedback and adding their ideas in to account is crucial.

Hierarchy culture: such organization is governed by standardized rules and procedures and employee have given well defined responsibilities with a clear organizational structure and strong work control. (Harvard business review 2017)

In hierarchy culture organization there are streamed operations and clearly defined duties but, the organization lack flexibilities that the current market expects.

In developing this culture leaders must create strong chain of command, all department of the organization must have a clear long term and short term goal and objectives. (Yesil & Kaya 2013)

Market culture: mainly focus on staying in the market competition and having better profit margin. This culture is result oriented by focusing on external organizational factors to bring customer satisfaction. Tesla, General electric and Amazon are examples of companies having market culture.

In organizations with market culture the employees must have high innovative ideas so as to reach the demand of the customer for new and improved products before our competitors.

In developing market culture leaders must set reasonable benchmarks for production and performance based incentives is vital. (Yesil & Kaya 2013) (Iriana, Buttle and Ang 2013)

The following are other types of organizational cultures expressed in detail below
(<https://www.taskforcehr.com>)

Table 2.1 Types of organizational culture	
Normative Culture	<ul style="list-style-type: none"> - Predefined norms and procedures - Strict adherence of the policy
Pragmatic culture	<ul style="list-style-type: none"> - Focus on customer satisfaction - Emphasized on external parties - No preset rules for the customer service
Academic Culture	<ul style="list-style-type: none"> - Highly skilled individuals - Experience and education qualifications are the bases for delegation. - Intensive training and development - High employee engagement - Commonly used by universities and other educational institutions.
Baseball team culture	<ul style="list-style-type: none"> - Employees are the most valuable asset of the organization. - Lower engagement of the employee - Continuous training for existing employees
Club culture	<ul style="list-style-type: none"> - Employment is based on qualification and specification - Promotion is based on potential of employee - Serious performance evaluation or appraisals
Fortress culture	<ul style="list-style-type: none"> - Employees cannot predict about their future carriers - Underperforming lead to dismissal - Mostly exercised on stock broking sector.
Tough guy culture	<ul style="list-style-type: none"> - Serious feedback is given - Focus on performance management - High controlling system

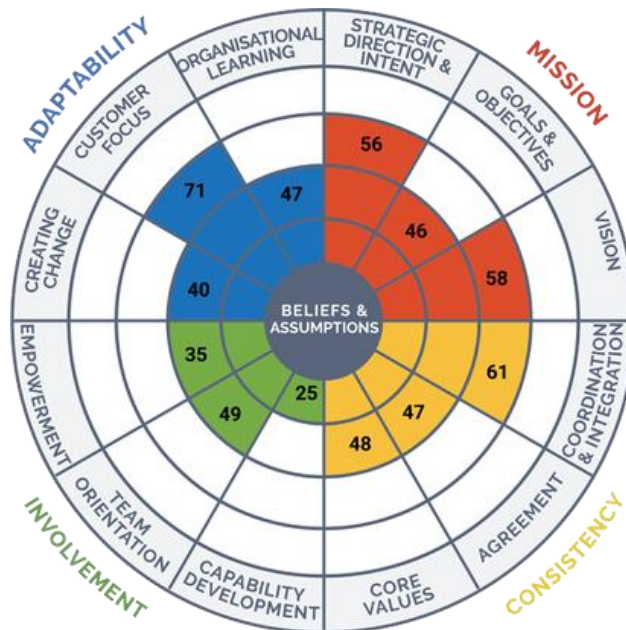
	<ul style="list-style-type: none"> - Team discussion is the culture
Bet your company culture	<ul style="list-style-type: none"> - Decisions involving high risk are made - Unpredictable consequence of the decisions - Longer time to get the result - Used for sensitive problem or issues
Process culture	<ul style="list-style-type: none"> - Employees process the rules and procedures of the organizations - Lower focus for feedback and PMS - Used by most governmental organizations

2.2.4 Model of organizational culture

- The Denson Model

In linking the organization culture to performance this model uses for over two decades. Daniel Denson model of organizational culture focus on the measure of performance like profitability, growth, quality, innovation, customer and employee satisfaction

The Denison model (2000) tries to give the detail explanation about the organization mission, Adaptability, involvement and consistency.



The Denison Model of organizational culture

Fig. 2.2 The Denison Model of organizational culture

Involvement: also known as organizational participation is the mechanism the organization uses as ways to encourage and empower employee. Employees cooperate with filing of ownership and commitment and responsibility shared in order to achieve the organization goal and objective. (Almady, Nikooravesh & Mehrpour 2016).

Involvement also encourage employees to participate in various activities and decision making of the organization to encourage them for effective and better work performance. The existence of the organizational involvement can be seen by

- Empowerment

Giving the employee the necessary authority to control their work properly and create responsibilities.

- Team orientation

Team work and collaboration that employee respond seriously is important to achieve the organization common purpose and goal.

- Capability development

Developing the skill and knowledge of the employee is vital of the organization for better performance by competing well in this dynamic market.

Consistency: focus on the internal communication management, how employees performs as per the principle, mission and values of the organization. It emphasises on whether the organization process, system and structure are integrated in a way that can create an internal organizational system that is well supported by all employees or not.

Consistency created by value and systems that can bring dominant culture for the organization.

Common understanding and image, values that employees of an organization shared from consistent culture based on integrity can bring consistency.

Consistency exists while the organizations can create

- Core value

Employees involved in various value of the organization that can create their unique identity and expectation.

- Agreement

Employees of an organization agree both in managerial and subordinate level issue.

- Coordination & integration

Each department and units in organization work with each other for common goal without compromising organization boundaries.

Adaptability: Measure the organization ability to take moderate risk learning from mistakes and its readiness for change. It focuses responds to problems or factors that affect the current demand of organization that should be answered internally. Creating necessary changes focus on the expectations of the customer is vital to possess adaptability.

Adaptability increases market share and sales volume by continuously improving the organization position in answering the demand of the customer.

Organizations investigate can investigate adaptability quality by

- Creating Change

In order to provide feedback from for the customer need organization should create change and responded to the existing environment.

- Customer focus

Understanding the need and wants of the customer proactively and working hard to satisfy them. And it shows the extent or level of and organizations to satisfy their customer

- Organizational learning

The organizational ability to receive environmental sign and using the opportunities found in the environment to encourage employee creativity, self-development and knowledge style.

Mission : describes the ability of the organizations to express its future or vision. Organizations that do not have the clue where they are moving and were the are now is on the drift of falling. Mission is the most important and necessary culture of the organization. Organizations who plans to change their mission must also plan to change its strategy, structure, behaviour and over all culture, and this is why change mission is the hardest decision.

Best leaders seriously observe their organization and create a culture that best support the success of the organization.

factors that indices mission

- strategic direction and intent

Organizations should have clear and best strategic direction that shows its purpose and all employees of the organization should participate in it.

- Goal and objectives

Organization must integrate its mission with the organization vision and strategy , and employees

must be directed to work as per the common interest.

- Vision

Organization having a common and accepted vision can easily lead its employees to work hard to the success of their company.

2.3 The Concepts of organizational performance

Researchers have different understanding regarding organizational performance (Barney, 1997). From those various researchers, Javier (2002) relates performance with economy, efficiency and effectiveness of any program or activities what we call the three E's. Another researcher Daft (2000) put organizational performance as the ability of an organization to achieve its goal and target. Similarly Richardo (2001) define organizational performance as achieving organizational goal and objectives.

The concept of organizational performance is also a controversial issue not only in its definition but also in its measurement. Peoples also sometimes mix it with productivities

According to Ricardo (2001), productivity and performance was totally different. The ratio of volume of work completed within a given time but Performance was a broader concept that could include productivity and also the quality, consistency and other factors of the work.

Result oriented performance measure should consider result oriented behaviour, relative measure, education and training and the like that are corner stone of performance management. Ricardo (2001)

2.3.1 Factors determining performance

The two major factors that determine organizational performance are first economic tradition that gives special focus for external market factor for the determination of organizational performance. And the second one is behavior and psychology paradigm that focus on organizational culture factors as a determinant for performance of the company. Wernerfelt (1989)

The economic model gives determinants of organizational performance that include:

- Characteristics of the industry in which the organization competed,
- The organization's position relative to its competitors, and
- The quality of the firm's resources.

The organizational model gives determinants of organizational performance that focused on organizational factors such as human resources policies, organizational culture, organizational climate and leadership styles.

Chien (2004) provide five determinants of organizational performance

- Leadership style and environment,
- Organizational culture factors,
- Job design, model of motive and,
- Human resource policy

Whereas, in the current dynamic business environment organizational culture and competitive intensity and innovativeness are included as a main factors in determining the organizational performance.

The economic factors and organizational factors model was supported by many researches including Hansen and Wernerfelt (1989) who found in their study that economic factors represented only 18.5 % of variance in business returns, while organizational factors contributed 38 % of organizational performance variance. This research focused more on organizational factors that determine organization's performance.

As mentioned by Trovik and McGivern (1997). Organizational factors given a higher emphasis since leaders found that it has higher impact for success in determining performance to a greater level than economic factors.

2.3.2 Performance measurement of an organization

In CBE organization performance is measured by the profitability of the organization, which is the result of the total revenue minus total expenditure. However the total revenue emanates from the individual performance of every branch throughout the country.

These individual branch performances were measured interims of financial and non-financial target achievement for a given fiscal year. The financial performance is measured based on the amount of deposit mobilized from the existed and the newly recruited customers in the fiscal year while the branch non-financial performance is measured by the number of newly recruited customers, the number of digital channel sold, quality of the service rendered, adoption of innovation, employees retention etc. and research said the following about financial and non-financial performance

Organizational performance mainly can be defined as output which includes organization efficiencies or inefficiencies in term of corporate image, competencies and financial output .it mainly focused with effectiveness, productivity, efficiency of the organization. (<https://www.ispatguru.com>)



Figure 2.3 – organizational performance measure

2.3.1.1 Financial performance measurement

Firms' performance is widely measured through the financial success of the organization. Financial stress for most profit-oriented firms can be assessed both in terms of "top-line" (e.g., sales) as well as "bottom-line" (e.g., profitability) measures (Davis et al., 2000). The profitability of an organization is a common and vital financial performance indicator to reflect the efficiency of the organization and the leaders ability to increase sales while keeping the variable costs down (Davis et al., 2000).

Profit margin, the return on sales, return on equity, return on investment, and return on assets are considered to be the common measures of financial profitability (Robinson, 1982; Galbraith & Schendel, 1983).

2.3.1.2 Non-financial performance measurement

Since the traditional performance measure has limitations, researchers advocate the benefits of more comprehensive and useful performance evaluation system with better emphasis for non-financial performance measurements. NFPM's can measure customer satisfaction, quality of product or service, employee satisfaction and the like. From the various model of performance evaluation EFQM – European foundation for quality management, BSC- balanced score card, the result and determinant frame work and the performance pyramid are widely used by various organizations. Al-Enizi, Innes, Kouhy, Al-Zufairi (2006) Out of the listed models BSC is implemented in CBE.

Various researchers prove that there is a link between organizational cultures and financial performance. However non-financial performance helps the improvement of financial performance through improving the employees' performance, fulfilling the customer requirements and increasing organizational sustainability and reputations. (Larson and Tan, 2015)

The success of the organization is not only dependent on the financial performance indicators but also by other industry specific factor and measures of effectiveness. (Abu-Jarad, Yusof, Nikbin, 2011).

These measures include customer base expansion, expanding digital channel users, employee’s retention/ employee’s satisfaction, willingness to render quality service / organizational commitment (CBE portal and Mowday, Porter & Steers, 1982; Mayer & Schoorman, 1992; Hosmer, 1995; Rich, 1997; Zulkifli & Jamaluddin, 2000).

2.4 Balanced Score Card

BSC is a card that financial and non-financial elements are connected with the strategy of the organization. It is widely used by many organizations to measure their performance using different dimensions. BSC has four main perspectives.

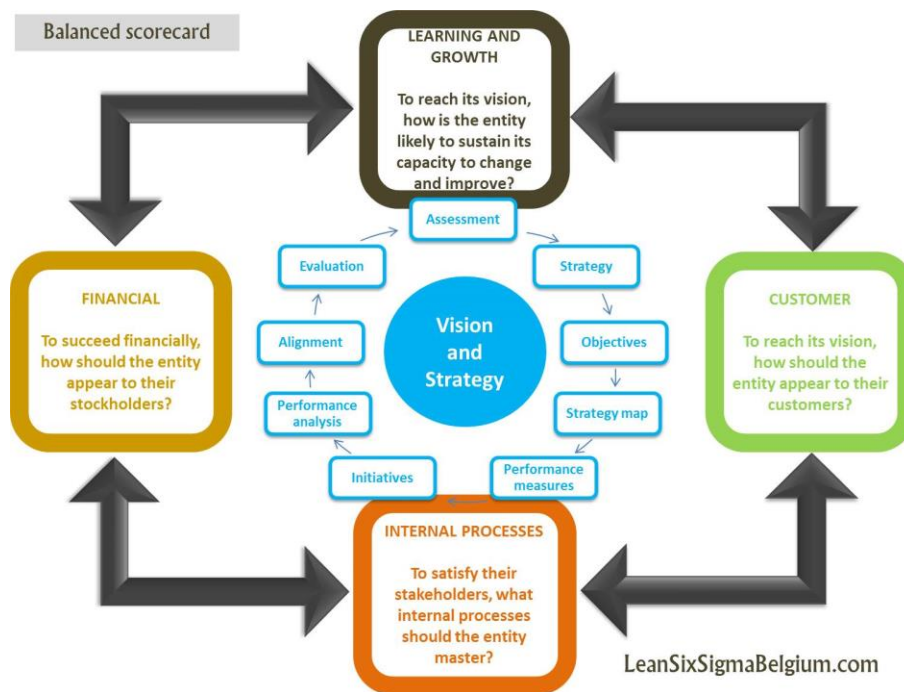


Figure 2.4 Balanced score card

Financial perspectives: measures profitability the same as the traditional financial measures. It uses Profit, ROI, cash flow, RVA etc.

Customer perspectives: mainly focus on customer satisfaction. It uses to measure customer satisfaction, customer retention, market share and position.

Internal business process perspective: by selecting one business process with higher impact work to excel it to satisfy shareholders and customers. It consists of process, operation and after sales service and innovation.

Learning and growth: it supports the successful implementation of the other three perspectives by providing proper infrastructure. It includes employee turnover, training expense, and new technology expenditure lead time for the introduction of innovation. Parhizgar and Moghadam (2017)

2.8 Studies on Organizational Culture and Organizational Performance

In today's economy, firms are challenged to continuously offer a portfolio of innovative products and services.

Since portfolio innovativeness has got a major role in organization overall performance, companies focus on generating innovative outcomes by building innovation capabilities. Hambrick, (2007)

In 1980's researchers were very fascinated to study a theory for strong shared organizational values in the companies that supposed to bring better performance for the organization. Firms with a better performance could be distinguishing from firms with poor performance because they have unique cultural traits and strong organizational culture. Peters and Waterman (1982). Deal and Kennedy (1982) also give similar suggest that strong and shared organizational values enhance organizational performance.

These research suggestions were criticized by Carrol (1982), Reynolds (1986), and Saffold (1988) who shows a single model to assess organizational culture and organizational performance no longer used rather developing a better model and creating sophisticated understanding to see the bond between culture and performance must be developed.

In the 1990s, the Daniel Denison brings his theory of Adaptability and Gordon and DiTomaso (1992); Kotter and Heskett (1992) , but still couldn't there were inconsistent results on the link between organizational culture strengths and the organizational performance.

Wilderom and Berg (1998) also criticized the theory of strong culture by Denison and Mishra (1995) by saying trying it is better to reduce the gap observed between employee of organization preferred organizational culture practice and the organizational culture practice instead of working hard for strong culture.

For more advanced organizational culture performance the empirical evidence gathered from the impact of the organizational performance using organizational culture was limited but it develop better bases. Hofstede (1990) also support the impact that organizational culture has on organizational performance. Hofstede (1990); House et.al. (2013); Pfeffer (1997) and Wilderom (1998).

Researchers used various organizational dimensions to measure organizational culture some of the researchers such as Gordon and DiTomaso (1992) in their article predicting corporate performance for organizational culture; Kotter and Heskett (1992) in their book says corporate culture and performance; Denison and Mishra (1995) moreover all utilized almost the same organizational culture dimensions.

Organizational performance has multiple dimension to measure that studied by different scholars to measure them, but in this studies take some indicators that addressed in the studied areas include non-financial performances like Customer base issues. In this case, possible activities to be addressed are increasing the measurement of customer encounters; developing a customer satisfaction index; and tracking product features that customers find valuable (Betre, 2017).

Kellie Wong in her article review entitled “Organizational Culture: Importance, and Development”, a great organizational culture is the key to developing the traits necessary for business success and the firm with healthy cultures are 1.5 times more likely to experience higher performance growth rate from year-to-year (Wong, 2017).

The culture of an organization represents the dominant and influential culture of an organization (de Hilalet.al., 2009). Betre (2017), taking an association of organizational culture and non-financial performance of the firm by having a case on Commercial Bank of Ethiopia.

Accordingly, customer base strategy is one of non-financial performance indicator which can be reliable on to increase the number of existing and new customers coming in to the bank through creating awareness about the product, service, create strong public image with good will and integrity (Betre, 2017; p-32).Service and product Quality: the product or service meets customer expectations on the degree of quality they require by delivering what was promised (Gidey, 2015).

Employee satisfaction: employee training and professional growth distinguish the employees as valuable organizational resources and recognize the employees for their achievements (Corporate strategy of CBE, 2015).

Deposit growth: Keynesian mention in his theory of demand for money that the motivations that peoples obligated to holed money are transactions, precautionary and investment motives (Cited by Jembere, 2014).

Organization culture in its positive attributes can provide many contributions in increasing the performance of the organization. However according to Fikiremariam (2018), the current organization culture of CBE has weak contribution in promoting accountability, commitment to the organization, in creating good working relationship, empowerment of staffs and to enhance job satisfaction

2.9 conceptual framework of the study

The conceptual framework presented in the figure 2.5 to express the relationship between organizational culture and non-financial performance of the organization. The study uses correlation design to assess the relationship between organizational culture (Involvement, Consistency, Adaptability and mission) with organizational non-financial performance.to test the under listed hypothesis.

H1: Statistically significant and positive relationship is expected between Involvement and non-financial organizational performance

H2: Statistically significant and positive relationship is expected between consistency and non-financial organizational performance

H3: Statistically significant and positive relationship is expected between Adaptability and non-financial organizational performance

H4: Statistically significant and positive relationship is expected between Mission and non-financial organizational performance

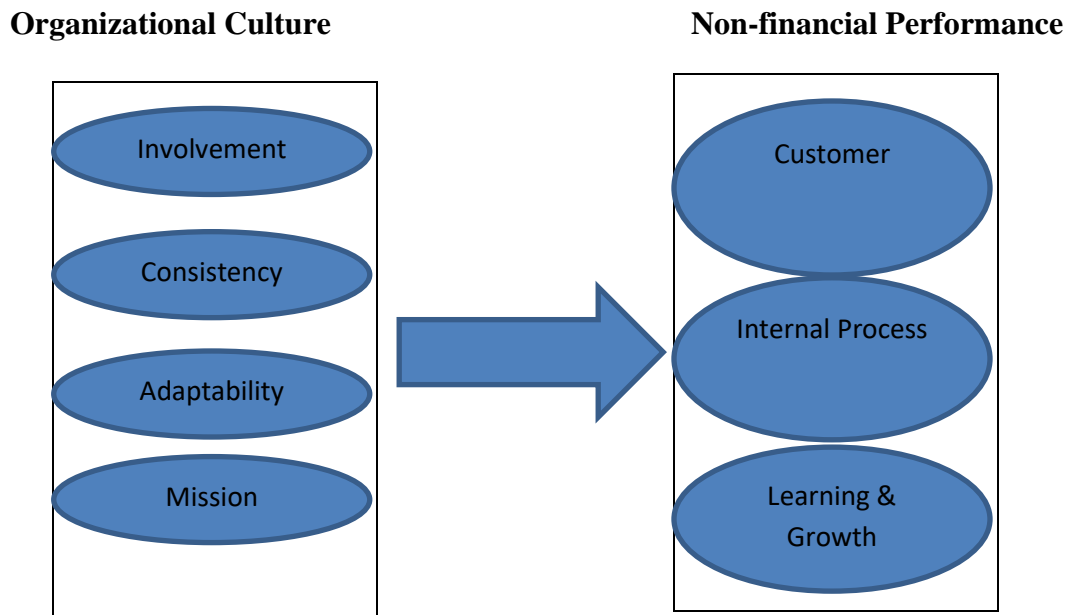


Figure 2.5 – Conceptual Framework (meseret getachew 2017)

2.9 Research Gap

Much documentation on impact of organizational culture on organizational performance has been carried out elsewhere based on the context of the country where the organization is found. And much of the research paper I reviewed were done on organization found abroad but a very limited number of researches have been done on impact of organizational culture and the performance of the organization in Ethiopia like , Addisalem 2019). But still their focus areas were the financial performance.

However in recent time, in Ethiopian banking industry, since the number private banks increased from time to time competition among banks also becoming tough and the majority of the banks

taken the non-financial activity as their variable to compete these non-financial activities are expanding customer base, expanding the respective digital channel products, employees retention employees commitment to render quality service.

Different banks also consider these non-financial activities as a means for financial performance achievement. Therefore more studies are still required to assess the impact of organizational culture on non-financial performance of CBE. However this study considers involvement, consistency mission and adaptability as the major organizational culture of CBE and the remaining culture like centralized management system, pragmatic culture, procedural activity etc are contained in the above mentioned cultures.

This study is therefore intended to fill the gap by assessing the impact of organizational culture on the non-financial performance of CBE.

Chapter three: Research methodology

3.1 Introduction

The research main objective is to assess the effect of organizational culture on organizational non-financial performance of CBE. In the literature part the conceptual framework of the research has been compiled. This chapter discusses the methodology approach for the study and highlights the research design, target population, sampling technique, data collection instruments and data analysis and presentation. It also addresses ethical, validity and reliability issues.

3.2 Research design

Research design is usually a plan or blue print which specifies how data relating to a given problem should be collected and analyzed. It provides the procedural outlines for the conduct of any investigation (Mattewos 2016). And Causal or experimental research design is used while the study deals with the relationship between two or more variables through the use of correlation coefficients. It used to express the degree of relationship between variables. Lenell & Boissoneau (2008). This research focus on analyzing the effect of organizational culture (dependent variable) of CBE on its non-financial performance (independent Variables) basically on customer base expansion, expansion of digital banking products ,employees retention/ employees satisfaction, willingness to render quality service /organizational commitment. Therefore the research is basically correlational type. The organizational culture, namely mission, involvement, consistency, adaptability and being procedural, is the independent variable while customer base expansion, digital channel expansion, customer retention and organizational commitment are dependent variable expressed through BSC perspectives customer, internal business process and learning and growth.

3.2 The study area

Branches of Commercial Bank of Ethiopia in Addis Ababa area were selected for their convenience due to time constrains. However, it should be noted that, taking account of the

generally similar nature of all the branches across Ethiopia, representativeness of the sample branches for the entire country is largely maintained.

3.3 research population

In this study, the sampling was held after identifying the optimum number of CBE branches that are functional in Addis Ababa city. CBE had 30 districts throughout the country and eight of the thirties are found under Addis Ababa districts. However all branches under Addis Ababa districts is not found in the city administration zone some found outside. But the study used branches that are found only in Addis Ababa city.

3.3.1 Target population

The target population for this study were CBE branch managers and line managers working in different branches of the Addis Ababa districts that were located under Addis Ababa city administration .This is because there are branches, like sebeta, Holeta, Bishoftu, etc. grouped under Addis Ababa districts but found outside the city administration zone . The respondents were selected from the total of 70 branches of Addis Ababa districts and founded only in the cities which were selected proportionately based on the number of branches found only on the city administration. The study assumed on average three managers staff in a single branch and currently there are around 402 branches located in Addis Ababa city government (CBE portal) therefore the study considered 1,206 managers staff worked in Addis Ababa at different branches.

3.3.2 Sampling technique

Simple random sampling technique has been used to select representatives of the target population to do so the researcher consider the eight districts found in Addis Ababa city and give first priority for grade three, four and special branches of all district found in Addis Ababa because they have comparatively large number of employees and also capital. But branches from all 8 districts have got the chance to include in the sample. Therefore questionnaires was distributed for every managers staffs from the selected 93 branches and 8 districts (head office organs) through their individual outlook address

Name of district	Number of selected Special branches selected in Addis Ababa	Number of selected Grade 4 selected in Addis Ababa	Number of selected Grade 3 branches selected in Addis Ababa	Others
Arada	1	6	3	2
Bole	1	7	2	3
Kirkos	3	4	3	3
Kolfe		5	3	1
Megenagna		5	4	2
Merkato	1	5	3	3
Nifasilk	1	4	5	1
Yeka		7	3	2
Head office				8

Table 3.1 Sample Branches and districts

3.3.3 Sample Size determination

In determining sample size for the study , the researcher considers the resource available to conduct the study specially time .Therefore it shares the formula provided by Taro Yemane as cited by (Worku G, Tilahun A and Tafa MA 2016) that is

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

Where: n:-is estimated sample size

N: - is the total population size

e: - sampling error

Here also the researcher assumed 7% level of precision or sampling error (**e**) and, desired a confidence level of 93%, while expecting a margin of error to be 7%. Which is also used by (Dr.Uvaneswaran .S.M, Ms. Eldana Kassa, Mr. Seid Muhammed Hamid 2017). Based on these the total sample size was 177 employees from the total population of 1,200 CBE branch managers and line managers worked in Addis Ababa city and applied proportionate sampling to determine number of branches to be included from the respective districts and every managers staffs from the selected branches were addressed via questionnaires.

3.4 Data collection – Type, source, procedure and instruments

The study used primary data collected through standard questionnaires by Denson's (1990) from the branch managers and line managers of Commercial Bank of Ethiopia found in city administration of Addis Ababa through their outlook address , which is the bank's internal communication tools. Managerial staffs of the bank working in Addis Ababa had been used as a source of information through questionnaires because managers and line managers are on the first line to took responsibility for the achievement of individual branches performance both on financial and non-financial ones. Therefore they are very experienced to know the impact of organizational culture on the financial as well as non-financial performance of their individual branches they managed.

3.5 Data Analysis and Interpretation

After collecting the distributed questionnaire, data were properly organized and prepared for codification. Following this, the coded data were fed to SPSS software program. The data were analysed using descriptive statistics (such as mean, standard deviation) to describe the demographic characteristics. In addition to this, descriptive analyses have also been conducted on the level of the different organizational culture of CBE such as involvement, mission, adaptability, consistency being procedural and performance.

ANOVA (analysis of variance) analysis were undertaken to assess the relationship between the demographic variables, organizational culture and non-financial.

Regression analysis also applied to examine the relationship between the independent variable, organizational culture, and the dependent variable non-financial performance. These statistical tools mentioned has been used by applying SPSS

3.6 Reliability and Validity

Before data analysis, the research instrument was assessed for its reliability as well as validity. These tests are the most fundamental features in the evaluation of any measurement instrument or tool for good research.

Reliability

Reliability is explained as a condition whereby scales show a satisfactory level of internal steadiness, uniformity, self-sufficiency and self-determination (Rahimuddin and Bukharis 2010) . It is also stated as the extent to which data collection techniques or analysis procedures will yield consistent finding (Easterby-Smith et al., 2002:53) as sited by Saunders, Lewis, and Thornhill (2007) in their book of “ research methods for business students “.Validity is also explained as the degree to which a study precisely replicates or reviews the particular idea that the researchers are trying to calculate. (Campbell & Stanley, 1966) as cited by (Rahimuddin and Bukharis 2010).

Reliability analysis was carried out to test the internal consistency of the research variables. If the items of the factors fail to show reliability, it questions the validity of the study result (Anderson et al., 2010). Cronbach’s Alpha was used for measuring the total consistency between all items of the instrument and internal consistency among items for each dimension. The Cronbach’s alpha value above 0.6 is considered an acceptable level of reliability (Hair et al 1998; Nunnally, 2000 George &, Mallery 2003). As indicated in table 4.2, all variables were above the minimum threshold value of 0.6; which indicate the variables are reliable to undertake the inferential analysis.

Table 3.2: Reliability tests of the variables

No.	Culture dimensions	Number of Items	Cronbach's Alpha
1	Involvement	9	0.73
2	Consistency	9	0.67
3	Adaptability	9	0.71
4	Mission	9	0.77
5	Customers	3	0.75
6	Internal process	3	0.73
7	Innovation and learning	3	0.75

SPSS Survey Output

Validity

Validity measures whether the question or item measures what it is supposed to measure or it refers to how well a test measures what it is purported to measure (Cozby, 2001). Researchers must use contemporary qualitative research methodology techniques to show the validity of the research Rose & W.Johnson (2020) To check the validity of the instruments, experts in the field organization cultures in the human resource department at the head office of CBE were consulted about the content of the instrument, the ambiguity of questions, items, and their relevance to ensuring content and face validity. Tabachnick and Linda S. Fidell (2001).

Reliability – means the degree to which a measurement of a phenomenon provides stable and consist result (Carmines and Zeller, 1979). Reliability is also concerned with repeatability. For example, a scale or test is said to be reliable if repeat measurement made by it under constant conditions will give the same result (Moser and Kalton, 1989).

3.7 Ethical consideration

Research ethics relates to questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our data, analyze data and write up our research findings in a moral and responsible way (Mark Saunders, Philip Lewis,

Adrian and Thornhill 2007). The researcher understood the rule and regulation of conducting business research and binds on those rule. Informed verbal and Written consent were obtained from the study subjects and data collection was undertaken on the basis of their voluntarily participation. Participating respondents was ensured that information obtained will be strictly confidential

Chapter four: Data analysis and interpretation

4.1 introduction

This section describes the analysis and interpretation of the collected data concerning the impact of organizational culture on the non-financial performance of Commercial Bank of Ethiopia using the Denson model. To this effect, the study analysed the demographic information of the respondents and organizational cultural variables such as involvement, consistency, adaptability, and mission with descriptive statistics like mean, standard deviation, and frequency. Finally, the chapter also presented the impact of organizational culture on performance using correlation and regression analysis.

4.2 Response Rate and Demographic of the respondents

From the Total 300 questionnaire distributed to the selected employee of CBE who are in managerial level 298 questionnaires were collected with 99% of response rate. Pallant (2005) expressed that 70% of the response rate is considered excellent therefore it is enough to address the sample size of the targeted population.

Demographic information of the respondents was presented by gender, age categories, educational and job categories level of the respondents using key descriptive statistics mainly through frequency and percentage, but only important and research related demographic factors are analysed.

4.2.1. Educational Level of the Respondents

Concerning the educational level of the participants, about 52.3% of the respondents are degree holders while the remaining 47.7% were master's degrees holders. This finding advocated that the participants of the study were educated employees and it will be easier to understand the content and the objectives of the questionnaire.

Fig 4.1 : Educational level of the respondents

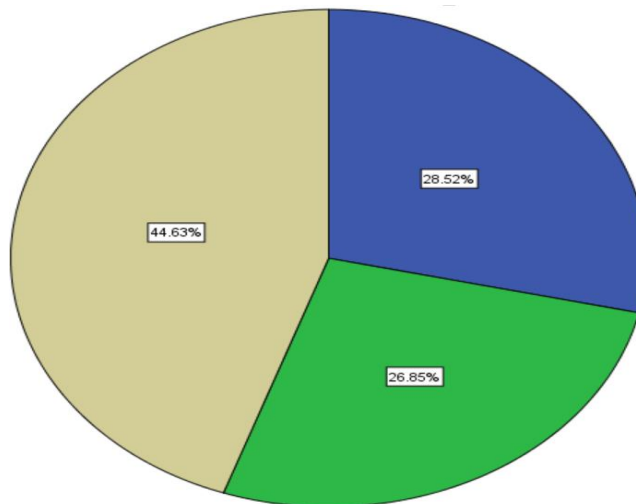


Source: SPSS Survey output

4.2.2. Service Years' Experience of the Respondents

Concerning service years of experience, 44.6% of them were above 15 years of experience, 28.6% were from 6-10 years, and 26.8% of them from 10-15 years' experience. From this statistical figure, one noted that the majority of the respondents who participated in the survey were experienced employees who work at various management levels and well know how the role of cultures impacts the non-financial performance of the bank.

Fig 4.2: Service years' experience of the respondents

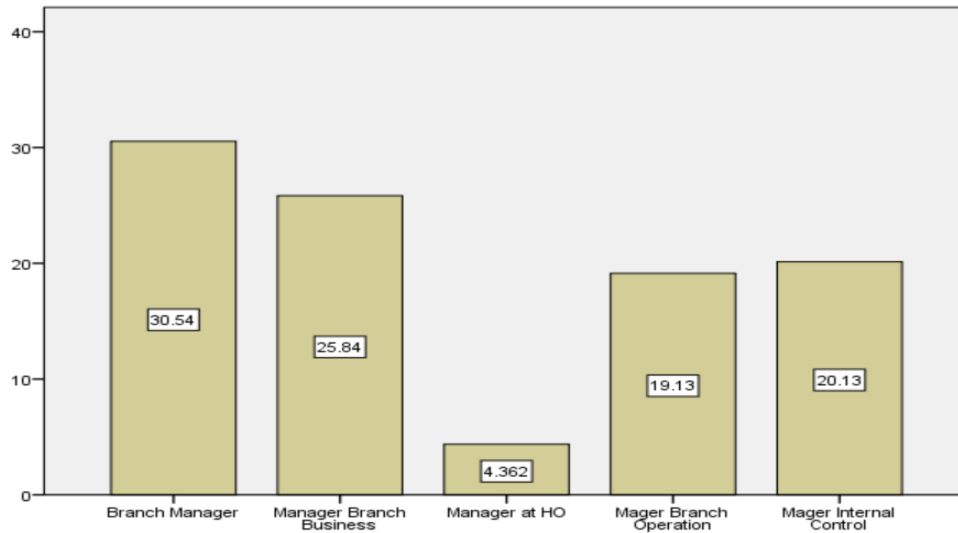


Source: SPSS Survey output

4.2.3. Job Categories

When we come to the Job category most of the respondents 30.5% were branch managers who are responsible for the overall performance of the branch, 25.9% were branch business managers who are leading the branch daily business , 19.1% were the manager of branch operations who are responsible for the back office operation of the branches, 20.1% were managers of internal control who are responsible for controlling the overall performance of the branch in accordance to the banks procedures and the remaining 4.4% were the support managers at head office or district .

Fig 4.3 : Job category of the respondents



Source: SPSS Survey output

4.3. Descriptive Analysis result

To assess the impact of organizational culture on the non-financial performance of Commercial Bank of Ethiopia, employees were asked to give their level of agreement and opinion about the four culture elements and their evaluations were presented with the mean and standard deviation. For this rating evaluation score of the culture dimensions, the study has taken Zaidation and Bagheri's (2009) rating benchmark score as a guideline. According to them, if the mean score below 3.39 is considered as low, the mean score from 3.40 up to 3.79 is considered moderate and a mean score above 3.8 is considered as high.

As depicted in table 4.1, the mean score level of respondents was ranged from 3.58 to 4.01 for culture dimensions.

Looking at each dimension, the involvement and mission culture were scored with a mean of 3.87 and 4.01, respectively. Taking Zaidation and Bagheri's (2009) rating mean score benchmark; the score of involvement and mission cultures had impacted the performance at a high level. On other hand, consistency was rated with a mean score of 3.58 while adaptability was 3.43. These two cultural dimensions have also impacted the performance with a moderate level.

Table 4.1: Descriptive statistics of Culture and performance

No	Culture Dimensions and Performance	Mean (M)	Std. Deviation (SD)
1	Involvement culture	3.87	0.51
2	Consistency culture	3.58	0.45
3	Adaptability culture	3.43	0.49
4	Mission culture	4.01	0.47
5	Performance	3.35	0.99

Source: SPSS Survey Output

4.3.1 Pearson Correlation Analysis

The correlation analysis describes the strength of the correlation between two or more variables. If the null hypothesis can be rejected, the correlation coefficient observed between the two variables is statistically significant. If the null hypothesis will be accepted, there is not enough evidence that a significant relationship exists. The values of the correlation of coefficient are range between -1 and +1, indicating either a strong positive or negative correlation between the variables (Anderson et al., 2010).

The significance of the correlation can be tested through the following hypotheses: $H_0: \delta=0$ Vs. $H_1: \delta \neq 0$. To taste the hypotheses, the P-value was compared with the level of significance ($\alpha=0.01$). If the P-value is less than the level of significance, the hypothesis can be rejected. If the p-value is greater than the level of significance, the hypothesis will be accepted.

Table4.2: Pearson Correlations Analysis

		Performance
Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	0.29
Involvement	Pearson Correlation	0.20
	Sig. (2-tailed)	0.00
	N	298
Consistency	Pearson Correlation	0.33
	Sig. (2-tailed)	0.00
	N	298
Adaptability	Pearson Correlation	0.48
	Sig. (2-tailed)	0.00
	N	298
Mission	Pearson Correlation	0.47
	Sig. (2-tailed)	0.00
	N	298
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: SPSS survey output, 2022

Having this said, considering the correlated analysis of culture dimensions in detail, all the culture dimensions namely; involvement [r=0.20, sig=0.001], consistency [r=0.327, sig=0.00], adaptability [r=0.488, sig=0.00] and mission [r=0.473, sig= 0.00] cultures have significant and positive relationship with the non- financial performance. This implies that when there was an increase in the cultural dimensions means, there would be an increase in the non-financial performance of the commercial bank of Ethiopia.

4.4. Regression Analysis Result

To examine the relationship between the dependent variable and independent variables and to specify the best predictors of the dependent variable, a multiple regression model was applied. Multiple regressions are the most common and widely used to analyse the relationship between a dependent variable and multiple independent variables (George et al, 2003). In this study, the

impact of cultures on non-financial performance was analysed by considering the dependent variable from various perspectives. The first perspective was considered performance from customer's perspective as one measure of non-financial performance, and the second and third dependent variables have been considered from internal business perspectives and Innovation & Learning, respectively.

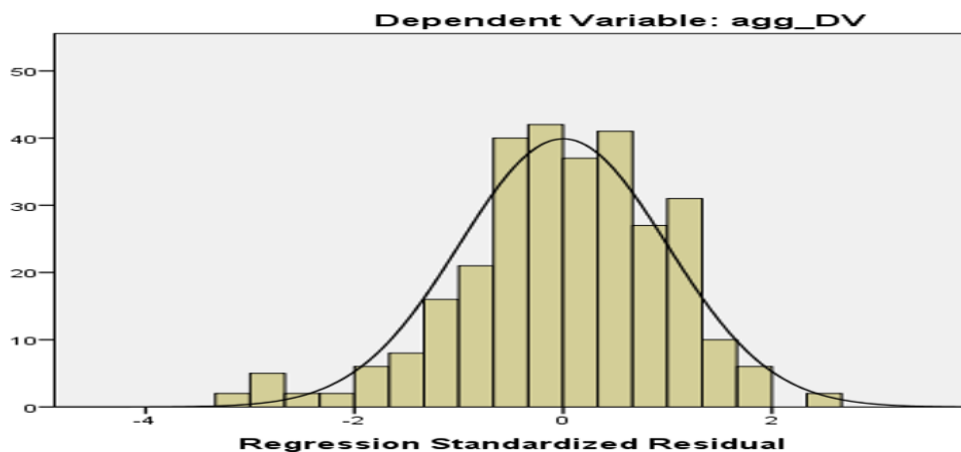
4.4.1 Model Diagnostic Test of the Regression Model

Before assessing the factors that affect the adoption of Internet banking, it is necessary to test regression assumptions, due to the fact that violation of these assumptions may lead to inaccurate results. The Classical Linear Regression Model (CLRM) assumptions hold, then the estimators determined by OLS will have a number of desirable properties and are known as Best Linear Unbiased Estimators. Therefore, these diagnostic tests are performed to ensure whether the assumptions of the CLRM are violated or not in the model (Gujarati, 2009).

Normality Test

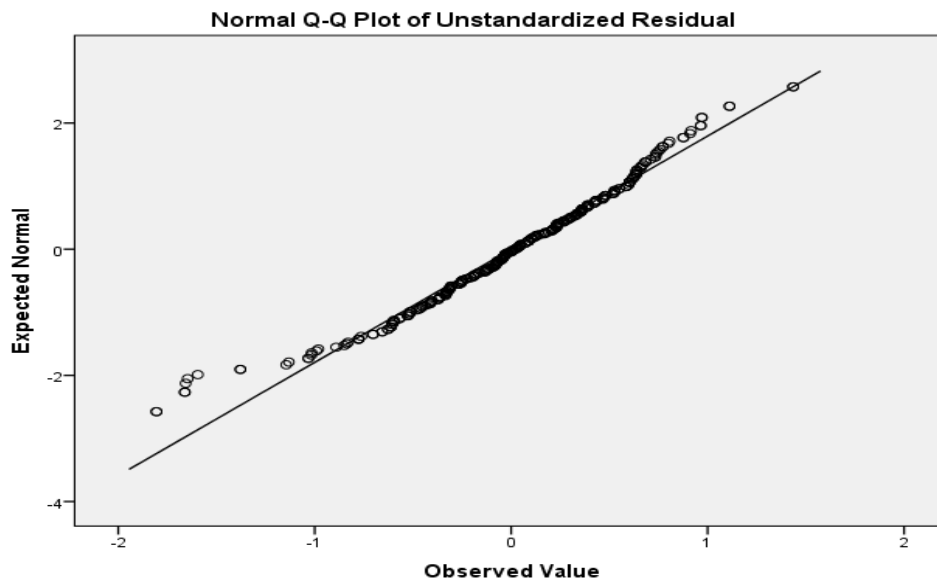
There are several methods available for assessing whether data are normally distributed or not .i.e. graphical and statistical. In this study, however, normality of the residual was performed with the aid of graphical methods using histogram estimate. As shown in figur4.4 the test result indicates, the residual is close to normal distribution.

Figure 4.4: Normality test



Source: SPSS Output

Fig 4.5 QQ plot



Interpretation

As one can see from the graph, the data is approximately normally distributed; the points will be on or close to the line.

Multicollinearity Test

Multicollinearity refers to the situation where two or more of the predictors in a regression model are highly correlated. As indicated in table 4.3 the variance inflation factor (VIF) shows a mean VIF of less than 10 for the whole variables. The larger the value of VIF, the more troublesome or collinear the variables and as a rule of thumb a VIF greater than 10 is unacceptable. Therefore, since the VIF value for each variable is less than 10, thus, there was no multicollinearity problem in the data.

Table 4.3 Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1		
	.652	1.533
	.748	1.336
	.639	1.565
	.852	1.173

Source: SPSS Output

Autocorrelation Test

Durbin-Watson test was used to test for residual serial correlation up to some specified lag order. To test for the existence of autocorrelation or not, the Durbin-Watson test was employed. As shown in table 4.4, its null hypothesis (no first-order autocorrelation) was accepted because the Durbin Watson test statistics is close to 2, which is 1.94. Therefore, there is no autocorrelation problem in the data.

Table 4.4 : Autocorrelation

Model	Durbin-Watson
1	1.944

Source: SPSS Output

4.4.2 Multiple Regression analysis for the effect of organizational culture on non-financial performance.

As the result of the study showed in the below table 4.5 the correlation between the observed value of organizational performance and the independent variables Involvement, Consistency, adaptability, and Mission is .319 as indicated multiple R. And also the adjusted r squared value is .310. This implies that 31% of the variation in the dependent variables (customer, internal process and innovation and learning) can be expressed by the four independent variables (involvement, Consistency, adaptability and mission. The other 69% of the variance is expressed by other variables that do not included in this study.

Table 4.5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.565 ^a	0.319	.310	.56115

As the result of ANOVA from the below table 4.6 shows the f value 34.295 with p-value or significant .000 which is below 0.05 expresses that the impact of independent variables is significant.

Table 4.6 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	43.196	4	10.799	34.295	.000^b
	Residual	92.262	293	.315		
	Total	135.458	297			

Standardized beta coefficient expressed that a single variable contribution to the research model. While all the independent variables are constant, the beta weigh is average dependent variable increase when independent variable increased by one standard deviation.

Table 4.7 shows that, consistency cultural dimension has no significant effect on organizational non-financial performance since it has a standardized (β) value of 0.021 and p.729 which is greater than the significant value .05. And adaptability has a positive significant effect on organization non-financial performance with a standardized beta value of .339 and p value .000 that is less than .05. Mission also has a positive and significant effect on non-financial

performance of the organization with standardized beta value of .306 and p-value .000 which is less than .05. Involvement has no significant effect on non-financial performance since it has p-value .837 which is greater than .05.

$$\text{Non-financial performance} = B_0 + X_1B_1 + X_2B_2 + X_3B_3 + X_4B_4$$

$$= -151 + .31\text{Consistency} + .461\text{Adaptability} + .440\text{Mission} + .014\text{Involvement}$$

Table 4.7 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.151	.346		-.437	.662
Consistency_ind	.031	.088	.021	.347	.729
1 Adaptability_ind	.461	.076	.339	6.075	.000
Mission_ind	.440	.087	.306	5.077	.000
Involvement_ind	.014	.068	.011	.207	.837

4.5.1 Multiple Regression Analysis: Effect of Organizational Culture on Performance [Customers Perspective]

The impact of culture on non-financial performance was also analysed by taking the customer perspective as a non-financial performance measure. As represented in table 4.8, the R-Square of the regression model was 47.3 percent, which indicated the total variance of non-financial performance of the bank was explained by dimensions.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.473	.223	.213	.79245

Source: SPSS Survey Output

The p-value of ANOVA was 0.00 which was less than the level of significance level ($\alpha=0.05$), this implied that at least one cultural dimension was impacted the non-financial performance of the commercial bank of Ethiopia.

Table 4.9 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.951	4	13.238	21.080	0.00
	Residual	183.995	293	.628		
	Total	236.946	297			

Source: SPSS Survey Output

Taking customer perspective as a measure of non-financial performance and assessing the impact of cultures on the performance. As shown in table 4.10, adaptability ($\beta=0.45$, P-value=0.00) and mission ($\beta=0.402$, P-value=0.00) cultures were less than the level of significance ($\alpha=0.00$), this implies adaptability and mission culture have positive and significant impact on the non-financial performance of the CBE.

On the contrary of the above findings, the involvement of $\beta=0.151$ with the p-value of 0.118 while the consistency of $\beta=0.128$ with the p-value of 0.305. In these both cases, the p-value was greater than the level of significance ($\alpha=0.05$). This suggested that involvement and consistence have no significant impact on the non-financial performance taking customer's perspective as measure of performance. This result was consistent with the study finding of Pawirosumarto et al. (2017) and Maina (2016). These findings also were aligned with Ahmad (2012) finding, who concluded that consistency has a positive and significant effect on organizational performance.

Table4.10 : Multiple Regressions taking Customer's Perspective as Dependent Variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.946	.488		-1.938	.054
	Involvement	.151	.096	.088	1.570	.118
	Consistency	.128	.125	.066	1.028	.305
	Adaptability	.453	.107	.252	4.231	.000
	Mission	.402	.122	.212	3.284	.001

Source: SPSS Survey Output

4.5.2 Multiple Regression Analysis: Effect of Organizational Culture on Performance [Internal process Perspective]

Similarly, an attempt was made to see the impact of cultural dimensions on the non-financial performance of the commercial bank of Ethiopia by taking into account the internal process perspective as a measure of performance. As illustrated in table 4.11, the coefficient of determination of the regression model result indicates that 30 percent of the variation in non-financial performance of the bank was explained by culture dimensions.

Table 4.11 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.548	.300	.290	.67835

Source: SPSS survey output, 2022

Looking at the overall significance of the model result, as shown in table 4.12, the p-value of the ANOVA was less than the significance level of 0.05. This implies that at least one cultural dimension had impacted the non-financial performance of the bank.

Table 4.12: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	57.773	4	14.443	31.388	0.000
	Residual	134.825	293	.460		
	Total	192.598	297			

Source: SPSS Survey Output

Taking into account the internal process as a measure of performance and carrying out their impact on non-financial performance. As depicted in table 4.13, the output of the regression model revealed that, adaptability ($\beta=0.547$, P-value=0.00) and mission ($\beta=0.410$, P-value=0.00) had also a positive and significant impact on non-financial performance of the bank since the p-value of the model was less than the level of significance ($\alpha=0.000$). On other hand, the beta coefficient of involvement was 0.057 with the P-value of 0.361 while the beta value of consistency was 0.107 and p-value of 0.316. This indicates that involvement and consistency dimensions have a positive but insignificant statistical impact on the non-financial performance of the bank.

Table 4.13: Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.126	.418		-2.693	.007
	Involvement	.075	.082	.048	.915	.361
	Consistency	.107	.107	.061	1.003	.316
	Adaptability	.547	.092	.337	5.967	.000
	Mission	.410	.105	.240	3.917	.000

Source: SPSS Survey Output

4.5.3 Multiple Regression Analysis: Effect of Organizational Culture on Performance [Innovation & Learning Perspective]

Likewise, analysing the impact of cultures on the performance of the bank considering innovation & learning as measures of non-financial performance, as presented in table 4.14, 19 percent of the deviation of the dependent variable was explained by giving culture dimensions.

Table 4.14: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436	.190	.179	.65992

Source: SPSS Survey Output

The p-value of ANOVA was 0.00 which was less than the level of significance level ($\alpha=0.05$), this implied that at least one cultural dimension were impacted the non-financial performance of the bank.

Table 4.15: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.888	4	7.472	17.158	.000
	Residual	127.599	293	.435		
	Total	157.487	297			

Source: SPSS Survey Output

The results of multiple regressions, as presented in table 4.16 below, revealed that involvement has negative and insignificant impact on performance of the bank using innovation and learning as measure non-financial performance with Beta = -0.184 and P- value=0.00 at 95% confidence level. These findings also were aligned with Zewdie (2019) finding, who concluded that involvement has a negative and significant effect on organizational performance.

Again in the case of innovation and learning as measure non-financial performance, similar result has gotten, adaptability ($\beta=0.382$, P-value=0.00) and mission ($\beta=0.508$, P-value=0.00) have positive significant impact on the non- financial performance of the bank. On other hand, the consistency of $\beta= -0.144$ and P-value of 0.168, which less than the level of significance ($\alpha=0.00$). This showed that consistency culture dimensions had a negative but insignificant statistical impact on the non-financial performance of the bank.

Table 4.16: Multiple Regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.619	.407		3.981	.000
	Involvement	-.184	.080	-.131	-2.299	.022
	Consistency	-.144	.104	-.090	-1.382	.168
	Adaptability	.382	.089	.260	4.284	.000
	Mission	.508	.102	.328	4.982	.000

Source: SPSS Survey Output

Chapter Five: Summary of findings, Conclusions and Recommendations

This study aims to investigate the impact of culture on the non-financial performance of commercial banks in Ethiopia. The study was conducted using a questionnaire distributed to 298 sample respondents randomly from selected branches of the Commercial Bank of Ethiopia that are operating in Addis Ababa. To achieve the given objectives of the study, the exploratory research design was employed with Denison's Model of organizational culture with four dimensions namely; involvement, consistency, adaptability, and mission.

5.1 Summary of findings

Multiple regression analysis has been conducted to find out the level of impact that the independent variables have on the non-financial performance and the under listed findings are presented. Taking in to account the non-financial performance as a measure the independent variables Involvement, Consistency, adaptability and mission has 30% effect on non-financial performance but their significance level varies.

The correlation analysis indicated that there was a positive statistical significant relationship between performance and organizational culture dimensions (i.e involvement, consistency, adaptability, and mission). The study also further analyzed the impact of organizational cultures on non-financial performance using a multiple regression model. For this analysis, the study analyzed the effect of culture on performance from the three perspectives. The first perspective was taking the customer side performance of the bank as a measure of non-financial performance, the second from Internal process, and the third was from innovation & learning as non-financial performance measures.

Taking into account the customer's perspective as a measure of non-financial performance, the regression results showed that an adaptability ($\beta=0.453$, $p\text{-value}=0.00$) and mission ($\beta= 0.402$, $p\text{-value}=0.00$) in organizational cultures had a positively significant impact on performance. While considering the internal process as a non-financial performance measure, again adaptability ($\beta= 0.547$, $p\text{-value}=0.00$) and mission ($\beta= 0.410$, $p\text{-value}=0.00$) have a positive significant impact on the performance.

Similarly taking innovation & learning as a measure of non-financial performance, two culture dimensions namely; adaptability ($\beta=0.382$, $p\text{-value}=0.000$), mission ($\beta=0.508$, $p\text{-value}=0.000$) and involvement ($\beta=-0.184$, $p\text{-value}=0.000$) had impacted the performance of the bank.

5.2. Conclusions

As shown in the above findings of the study having strong organizational culture can lead to better organization performance. The regression analysis showed that the organizational culture has a positive and significant relationship with the organization performance.

The descriptive analysis also expressed above average result of 3.35 and standard deviation of .99 which is above the average value in a five point Likert scale which is 2.5. It shows that high relationship between organizational culture and performance. Therefore organizational cultures with its dimension highly affect or influence performance of CBE.

The result generated from both the descriptive analysis and regression analysis generally supported the study hypothesis that there is a positive and significant relationship between organizational culture and non-financial performance of the organization. And these results expressed that Mission is the most significant and determinant organizational culture dimensions to analyze non-financial performance of CBE.

5.3. Recommendations

The following recommendations are provided based on the findings and discussions made above:

- According to the research result involvement has a negative relationship to organizational performance of the bank. This shows the bank is working involvement culture is very low. Therefore; the bank should conduct further research on the impact of involvement on performance.
- The mission is a sub-dimension of the strategic direction and intent of the bank; it has directly impacted the performance of the Bank it is the most significant organizational

culture that that affect the non-financial performance of CBE. Consequently, the bank should give a high priority to being well aware of its employees about the mission of the bank by providing various training and workshop programs since the study explore it has significant effect on performance. These programs could help the bank management easily to put the mission in mind of employees and work toward achieving the mission. Besides, the bank should also make sure that the strategic mission was well communicated to the employees of the bank; It is apparent that CBE place emphasis on its strategic planning and communicate the banks mission and integrate it with the organizational culture of the bank

- The bank has to keep on building its organizational culture to make it even better than the current situation. This is quite important for the bank whose vision is becoming reality. Consequently, policy and pressures that directly work on such issues need to be designed and implemented to further maintain the scale of strength in organizational culture.
- Adaptability is the lowest in its score and it consists of creating change, customer focus and organizational learning. It shows that the bank do not give enough focus for the customer need. Therefore, the bank must work hard by give special focus for the customer to satisfy their need. And also the bank should develop its human resource to the level that they can effectively respond to the customer need through organizational learning and changing the statsqua.
- This research study was done based on Denison's Model on organizational culture whereas; further research on the same organization can be done using a different framework of organizational culture as suggested above to bring depth understanding of the culture itself and its impact on organizational performance.

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Annexes

Annex1: Correlation Analysis

Correlations					
	Performance	Involvement	Consistency	Adaptability	Mission

Performance	Pearson Correlation	1	.203**	.327**	.488**	.473**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	298	298	298	298	298
Involvement	Pearson Correlation	.203**	1	.338**	.276**	.301**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	298	298	298	298	298
Consistency	Pearson Correlation	.327**	.338**	1	.406**	.538**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	298	298	298	298	298
Adaptability	Pearson Correlation	.488**	.276**	.406**	1	.450**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	298	298	298	298	298
Mission	Pearson Correlation	.473**	.301**	.538**	.450**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	298	298	298	298	298

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

Annex2: Multiple Regressions: Taking Customer as depend variable

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473 ^a	.223	.213	.79245

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

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.951	4	13.238	21.080	.000 ^b
	Residual	183.995	293	.628		
	Total	236.946	297			

a. Dependent Variable: Customers_ Dependent

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

Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
(Constant)	-.946	.488		-1.938	.054
1 involvement	.151	.096	.088	1.570	.118
Consistency	.128	.125	.066	1.028	.305
Adaptability	.453	.107	.252	4.231	.000
Mission	.402	.122	.212	3.284	.001

a. Dependent Variable: Customers _Dependent

Annex3: Multiple Regressions: Taking Internal process as depend variable

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.548 ^a	.300	.290	.67835

a. Predictors: (Constant), mission, involvement, Adaptability, Consistency

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	57.773	4	14.443	31.388	.000 ^b
Residual	134.825	293	.460		
Total	192.598	297			

a. Dependent Variable: Internal process Dependent variable

b. Predictors: (Constant), Mission, Involvement , Adaptability and Consistency

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.126	.418		-2.693	.007
1 Involvement	.075	.082	.048	.915	.361
Consistency	.107	.107	.061	1.003	.316
Adaptability	.547	.092	.337	5.967	.000
Mission	.410	.105	.240	3.917	.000

a. Dependent Variable: Internal Process Dependent

Annex4: Multiple Regressions: Taking learning & Innovation as depend variable

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436 ^a	.190	.179	.65992

a. Predictors: (Constant), Mission, involvement , Adaptability , Consistency

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.888	4	7.472	17.158	.000 ^b
	Residual	127.599	293	.435		
	Total	157.487	297			

a. Dependent Variable: Learning and innovation

b. Predictors: (Constant), Mission, Involvement, Adaptability, consistency

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.619	.407		3.981	.000
	Involvement	-.184	.080	-.131	-2.299	.022
	Consistency	-.144	.104	-.090	-1.382	.168
	Adaptability	.382	.089	.260	4.284	.000
	Mission	.508	.102	.328	4.982	.000

a. Dependent Variable: Learning and Innovation

Addis Ababa University School of Commerce

Department of Business Administration and Information System

Questionnaire to be filled by employees of commercial bank of Ethiopia

Dear Respondent: I am MBL post graduate student at Addis Ababa University School

of commerce. This questionnaire is designed to collect relevant information for the research carried out on the topic “The effect of Organizational Culture on The Organizational Performance: The case of commercial bank of Ethiopia”. The study is conducted for academic purpose that is for partial fulfillment of the requirements of the Master of Business Leadership. Hence, your responses will be kept confidential.

The soundness and validity of findings highly depend on your honest and thoughtful responses. Therefore, I kindly request you to fill the questionnaire carefully and return at your earliest convenience.

Thank you in advance for your kind cooperation!

Part 1: General Profile (Please put (√) mark in the box that best describes you)

1	Age	21-30	31-40	
		40-50	Above 50	
2	Gender	Female	Male	
3	Education Qualification	First Degree	Post Graduate and above	
4	Years of Service at CBE	Below 5 yrs	6-19 yrs	
		10-15 yrs	15 yrs and above	
5	Your Job Category at CBE	Branch Manager	Manager - Branch operation	
		Manager - Branch operation	Manager - Internal Control	
		Management at H.O		

Part II: Organizational Culture of commercial bank of Ethiopia

Please indicate the degree of your agreement/disagreement with the following statements associated with the four traits of organizational culture: Involvement, Consistency, Adaptability and Mission in commercial bank Ethiopia with their respective 3 indexes each. Please put (√) on the alternative choice that best describes your view using the five Point Likert Scale shown under.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral or Undecided	Agree	Strongly Agree

Traits of Organizational Culture in case of Commercial Bank of Ethiopia

I. Involvement					
Empowerment	1	2	3	4	5
1. In commercial bank Ethiopia decisions are made at the levels where the right information is available.					
2. Employees believe that they have a positive impact on CBE's performance.					
3. Information is widely shared so that employees can access the information they need easily.					
Team Orientation					
4. Cooperation across different parts of the organization is highly encouraged.					
5. Teamwork is used to get work done, rather than to keep the Hierarchy.					
6. Employees work as they are part of a team.					
Capability Development					
7. Authority is delegated so those, employees can act by their own up to their discretion limit.					
8. There is a continuous investment to develop the skills and capabilities of employees.					
9. The capabilities of employees are viewed as an important source of competitive advantage.					
II. CONSISTENCY					
Core Values	1	2	3	4	5
10. Leaders "practice what they preach".					

11. There is a clear and consistent set of values that govern the way commercial bank of Ethiopia does business.					
12. There is an ethical code that guides employees' behavior and tells differentiating right from wrong.					
Agreement					
13. When disagreements occur, employee effort is to achieve a "win-win" solution.					
14. There is a clear agreement regarding the right way and the wrong way to do things.					
15. It is easy to reach consensus; even conflicting issues occurs.					
Coordination and Integration					
16. Employees from different parts of the organization share a common perspective.					
17. It is easy to coordinate projects across different parts of the organization.					
18. The approach doing business is very consistent and predictable.					
III. ADAPTABILITY					
Creating Change					
19. Better ways to do work are continually adopted.					
20. All parts of the organization cooperate to create change.					
21. Commercial bank Ethiopia responds well to the competitors' actions and other changes in the business environment.					
Customer Focus					
22. Customers' feedback often leads to changes.					
23. Employees understand customer's wants and needs.					
24. Customer input directly influences decision at different level.					
Organizational Learning					
25. Innovation is encouraged and rewarded.					
26. Learning is an important objective for employees' day-to-day work.					
27. Commercial bank Ethiopia view failures as an opportunity for learning and improvement.					
IV. MISSION					

Strategic Direction and Intent					
28. There is a clear mission that gives meaning and direction to my work.					
29. Commercial bank of Ethiopia strategic direction is clear to me.					
30. The bank has long-term purpose and direction.					
Goals and Objectives					
31. Leaders set goals that are ambitious, but realistic.					
32. Commercial bank of Ethiopia continuously tracks its progress against the stated goals.					
33. There is widespread agreement about the goals of the company.					
Vision					
34. Employees of CBE have a shared vision of what the organization will be like in the future.					
35. Leaders have a long-term viewpoint.					
36. Commercial bank of Ethiopia vision creates excitement and motivation for its employees.					

**Part III: Organizational Performance of Commercial Bank of Ethiopia
using Non-financial performance measures**

Please indicate 1 (to a very little extent) to 5 (to a very great extent) to what extent commercial bank of Ethiopia achieves its non-financial performance mentioned under.

- 1 = To a very little extent
- 2 = To a little extent
- 3 = To some extent
- 4 = To a considerable extent
- 5 = To a very great extent

To what extent does commercial bank of Ethiopia achieve its Non-financial Performance in Customer Perspective, Internal Business Perspective and Innovation and Learning Perspective?

	1	2	3	4	5
Customer Perspective					
1. Customers are satisfied with the Banks' product/ service quality.					
2. The bank has a good relationship with customers relative to other competitor banks.					
3. The bank has recognizable image and favorable reputation by its customers.					
Internal Business Perspective					
4. Customers are served within the standard delivery time (SDT) set by the bank.					
5. CBE has satisfactory products/services variety for its customers.					
6. Customers are happy by the banks after-sales service.					
Learning Perspective					
7. CBE employees are operationally efficient/ competent.					
8. I believe that my service to the company and the contributions that I have made are appreciated.					
9. The people with whom I work have the appropriate skill set to contribute to the Bank's success.					

Thank you!!