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**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE  
DEPARTMENT OF PROJECT MANAGEMENT  
POST GRADUATE PROGRAM**

**THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEES'  
PERFORMANCE: THE CASE OF NIB INTERNATIONAL BANK**

**BY: MUSSIE ABEBAW**

A Thesis submitted to the school of Business Administration in Partial fulfillment for the requirements for the award of Masters of Project Management.

**July 2023**

**Addis Ababa, Ethiopia**



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**ADVISOR: ZEGEYE MULUYE (Ph. D)**

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## DECLARATION

I, Mussie Abebaw (ID: GSR/0131/14) hereby declare that the thesis "Effect of Organizational Culture on Employee Performance: The Case of NIB International Bank of Ethiopia" is my original work. Zegeye Muluye (Ph. D) the research advisor guided me as I conducted this study independently. Any other authors or sources consulted for this study have been properly acknowledged. Moreover, this research has not been submitted for the award of any degree or diploma program at this or any other institution.

Name: Mussie Abebaw

Signature \_\_\_\_\_

Date \_\_\_\_\_

### Approved by

Advisor: \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**APPROVAL**

The undersigned certify that they have read and hereby recommend to Addis Ababa University College of Business and Economics to accept the thesis submitted by **Mr. Mussie Abebaw** and entitled "The Effect of Organizational Culture on Employee Performance: The Case of NIB International Bank of Ethiopia in partial fulfillment of requirements for the award of a master's degree in Project Management.

**Submitted by:**

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Full Name	Signature	Date
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**Approved by:**

1. _____	_____	_____
Supervisor/advisor	Signature	Date
2. _____	_____	_____
Internal Examiner	Signature	Date
3. _____	_____	_____
External examiner	Signature	Date
4. _____	_____	_____
Head of department	Signature	Date

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## **Acronyms**

**ATM:** Automated Teller Machine

**ANOVA:** Analysis of variance

**FDRE:** Federal Democratic Republic of Ethiopia

**HR:** Human resource

**SD:** Standard Deviation

**SPSS:** Statistical Package for Social Science

**NIB:** Nib international Bank

## **ABSTRACT**

*The Purpose of this research project was to evaluate the effect of organizational Culture on Employees Performance in NIB International Bank. The study therefore used a quantitative research method and explanatory research design in order to successfully answer research questions. 165 of NIB international bank employees participated from using census data distribution method. Respondents were from a head office and other five branches of NIB international bank. Though a bank has 410 branches due to time constraint author addressed only five of them including a head office. Structured questionnaires with 59 statements and a five- point Likert scale were used to collect respondents' perceptions. Responses on these statements are fall under five categories employee's performance, involvement, consistency, adaptability, mission, and organizational culture. Each of these variables are measured using mean score based on responses rate of each factor. Data analyzed using the Statistical package for social Science (SPSS), version 20. Descriptive statics used to measure the central tendency specifically using mean, and standard deviations. From the study author identified that the NIB international bank practicing all four organizational culture dimensions such as involvement, consistency, adaptability, and missions. Comparing identified factors "consistency" and "adaptability" scored lowest mean value. The author also conducted regression analysis. Organizational culture accounts for 40.2 % of the variation over employee's performance. The subculture dimensions of involvement and mission have positive and significant effects on employee performance. Therefore, Author recommended that the NIB International bank and its branches shall to maintain organizational cultures and work to achieve the organization mission. Introduce it to new employees, increase employee' capacity by consistent training, adopt rewarding and encouraging practices for innovations, and build a risk-taking culture to facilitate changes.*

*Keywords: adaptability, Consistency, employee performance. Organization Culture, and Mission, Involvement*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The history of culture as a concept is extensive and boundless. Similar to how we describe someone as "cultured," the layperson has used it to imply sophistication. The phrase is one that anthropologists use to describe the traditions and rituals that cultures create over time. In recent years, organizational academics and managers have used the term to refer to either an organization's embraced values and principles or the environment and practices that organizations construct around their people management. When managers refer to creating the "right kind of culture," a "culture of quality," or a "culture of customer service" in this context, they are emphasizing that these concepts have to do with the values that managers are trying to instill in their firms. According to this usage, there are stronger and weaker cultures as well as better and worse cultures, and the "right" type of culture will affect how productive the organization is (Schein, 2004).

Culture able to alert us to do things that are out of sight, that have a significant impact but are mainly unconscious and unnoticed, are perhaps its most intriguing feature. In this case, culture intends to groups, person's character or personality of individuals. The resulting behavior is visible, but the causes that drive particular patterns of conduct are typically invisible. Like the personalities and characters of individuals determines their behavior, culture can also guide and constrain behaviors of group members through collective norms and practice. To make matters more complicated, personality and character can be viewed as the collections of individuals experience in the family, peer group, school, community, and work places. Therefore, cultures have both collective as well as individual character. But it is constantly changing as that individual join as well as form new groups, as result new culture will appear. therefore, Culture is an abstraction, also its behavioral and attitude consequences are very concrete (Schein, 2004).

According to Fakhar, Zahid, and Muhammed (2013), organizational culture is explained us how employees are treated. It can also be the guiding principles that employees of an organization are expected to follow without question. Organizational culture is primarily encompassed of traditions, behavioral patterns, and belief systems. These components determine the organization's mode of operation and the likelihood of the organization remaining in business or eventually going out of business. These cultural norms are invisible, but they have a significant impact on employee performance and

profitability which can be either positive or negative. If the organizational culture has a positive impact on the employee, then the employee will perform optimally; however, if a negative impact on the employee, the employee will perform poorly. As a result, organizations can only achieve their objectives if their corporate culture is in sync with their performance management system. Organizations should hence empower their employees to exercise greater control/autonomy over their work by implementing a collaborative culture in the execution of its activities, thereby influencing their job performance, commitment, self-confidence, and self-esteem, mainly because Organizations nowadays face a growing number of challenges when trying to change their organizational culture to support new working methods.

In 2012 G.C. study on how an organization's culture affects its effectiveness was done in an Ethiopian commercial bank. The effectiveness of an organization can be significantly increased by having a positive organizational culture. However, researches have revealed that the organizational culture of Commercial Bank of Ethiopia must improve employee empowerment, strong working relationships, organizational commitment, responsibility, and job happiness. This finding led to the conclusion that the organizational culture of Ethiopia's Commercial Bank was insufficient to enhance overall performance (Abera and Yemisrach, 2012).

In addition, Esayas (2016) conducted assessment on Causes of Employee Turnover and Intention to Leave in Nib International Bank. Esayas determined the organizational culture practiced in the NIB international Bank. According to his findings the organizational culture practiced in the NIB international Bank was the Hierarchy culture, which gives an emphasis to career paths, stability, structure and providing clear managerial processes. It also includes clear chain of command, multiple management tiers and defined dress code for employees to follow.

Ojo, (2009) Using the Nigerian banking sector as a case assessed the impact of corporate culture on employee's performance and organization scale productivity. It seeks to determine whether organizational culture negatively impacted employees' performance on their job and makes recommendations regarding organizational culture and work performance of employees. Ojo concluded that the majority of respondents strongly agree that culture of corporate organizations has an impact on employees' work place performance, and the majority of respondents agree that corporate culture has an impact that determines the productivity level of an organization. Nasution et.al, (2018) demonstrates as the stronger an organizational culture is, the more to influence on the

behavior of employees. As result it will ultimately improve employee's performance. They further pointed out that a strong culture refers to fixed values that are held more deeply and tenaciously and widely followed and inherited. Deal and Kennedy, (1983) further showed that a strong organizational culture is highly beneficial in improving employee performance, thereby achieving goals and improving the overall performance of the organization.

Therefore, having in consideration of this finding, which is in supportive, this study was conducted to determine the effect of organizational culture on employee performance in the case of Nib International Bank (NIB) specifically focusing on the NIB International Bank's organizational culture dimensions.

## **1.2 Background of the Organization**

Nib international Bank (NIB) was inaugurated on May 26,199 Gc. under license no. LBB/007/99. Which was in accordance with the commercial code of Ethiopia, proclamation no. 84/1994 also known as the proclamation for Licensing and Supervision of Banking business. Paid capital was 27.6 million and authorized capital of 150 million birr by 717 shareholders during inauguration's Bank commenced its operation in October 28 1999 by 27 employees as sixth and licensed private bank in Ethiopia. Currently in addition to rendering domestic and international banking services, the bank implemented both mobile and internet banking. The Bank also placed its ATM'S at various locations through the country to diversify and make accessible banking services to customers. Moreover, the bank has established a strategic partnership with MasterCard, VISA and union Pay brand cards to enhance the application of modern banking technologies and provide competitive services. This strategic partnership was a breakthrough to provide international payment services. With a view to introduce new type of products, other than the previous innovative products and services, Nib Mar Saving, NIB social saving, NIB Donation saving and NIB Entrepreneur's saving were developed. In addition, the Bank is working with Tele Birr and E-birr (Product name - NIB E-birr) to be a better competitor in this digital world of banking.

## **1.3 Statement of the Problem**

Scholars acknowledged managers to have a broad understanding on their cultural context in order to effectively lead their organizations (Hodgetts & Luthans, 2013; Agwu,2014). A need for performance based organizational culture has grown as a result of increased competition, globalization, and partnerships. Since frequent management crises occurs in organizations as a result of their organizational culture, performance based

organizational culture is therefore essential (Agwu, 2014). The efforts to increase employee performance are usually slowed down by such issues and it is for this reason that studies into organizational culture and related topics have drawn a scholar's attention (Ojo, 2010; Omoniya, Salau, & Fadugba, 2014). However, According to Ojo (2010), the relationship between organizational culture and employee performances, is not conclusively Known. similarly, Ogbonna and Harris (200) claim that despite availability of several researches in the field and contributions from numerous disciplines, there is no universally agreed and recognized causal link between organizational culture and employee's performance. Therefore, more studies are required to understand and establish the link between corporate culture and work performance. Kandula (2006) states as a strong culture is important for effective performance. the same strategies do not produce the same results for two organizations even though they are in the same industry and location. which according to Kandula is due to differences in organizational culture. While a negative and weak culture may be motivating a great person, causing them to underperform and achieve nothing, whereas a positive and powerful culture can make an average individual outperform and achieve spectacularly. Moreover, studying the organizational culture and its effect on employee performance helps organizations to understand their dynamic culture, to support management teams, to exploit and understand cultural perspectives.

Hana (2019), conducted research on the effect of organizational culture on employee's performance in Berhan Bank, though the result of study was limited to one specific organization. Hana therefore recommended as the further researches is required incorporating different organizations in the banking sector to understand the situation in depth. Hence, the researcher would like to identify NIB banks' organizational culture in order to address the existing gap, minimize obstacles, meet the organization's objectives in an effective and efficient manner, gain a competitive advantage, and promote favorable working conditions in the workplace. Taking the above information in to considerations, the researcher attempted to review NIB's semiannual evaluation of 2014E.C.

Yonatan (2022) by reviewing secondary data of NIB international banks identified gap related to planning mainly as Managers were not skilled enough to properly conduct system, such as setting realistic goals and giving employee opportunity to participate. He also stated that while in assessment phase there were gaps such as a biasness of result, giving and receiving feedback, coaching, identifying strengths and weakness contributors for employee's performance. There is lack efforts form the responsible bodies to motivate

employees towards performance goal. This fact suggests that bank managers or higher officials are frequently preoccupied with main financial activities. These frequently overlook they are lagging from taking part on non-financial activities such as organizational cultures. The evidence confirmed that however, working on organizational cultures by giving training, setting realistic goals, and letting employees to freely express their ideas are essential for employees' beliefs, values as well as their performance, the NIB international bank managers are not investing required effort. For these reason author concluded that that bank has been faced challenge of improving employee's performance. Therefore, the author attempts to study the effect of organizational culture on employee's performance at head office and branches of NIB international Bank in Addis Ababa.

#### **1.4 Research questions**

this study attempts to address research questions that are listed below.

1. Which organization culture dimension is dominant at NIB international Bank?
2. Which "employee performance" factors are dominant at NIB international Bank?
3. To what level that organization culture dimension affects NIB international Bank "employees' performance"?

#### **1.5 Objectives of the Study**

##### **1.5.1 General Objectives**

The General objective of this study is to assess the effect of organizational culture dimensions on employee performance at NIB International Bank.

##### **1.5.2 Specific Objectives**

1. To rate and rank "organizational culture" dimensions that are practicing at the NIB International Bank.
2. To rate and rank the employee's perception on "employee performance" factors that are practicing at the NIB International Bank.
3. To analyses the effect of "organizational culture" dimensions on "employee performance".

#### **1.6 Significance of the Study**

This study will examine ways to improve employee performance through organizational culture by evaluating the effect of organizational culture on employee performance in addition to fulfilling its general and specialized objectives. Because this study informs the bank's management about the current cultural environment and prompts them to take necessary action to increase the bank's overall effectiveness, NIB International Bank will therefore be the study's main benefactor. Employees will benefit



as well from this study since, if properly used and applied, it will foster a safe working atmosphere. This research also serves as a resource for researchers interested in conducting similar practical research.

## **1.7 Scope of the study**

### **1.7.1 Thematic Scope**

Because of time and resource constraints, it would not be possible for the researcher to include all Branch Offices of NIB international bank. The study focuses on examining how the mission, involvement, consistency, and adaptability of organizational culture has an effect on employees' performance and is based on Denison's organizational culture model (1990). The model was chosen because, compared to other models, it is more effective at identifying organizational cultural traits and is behavior-based, relevant to all levels of the company.

### **1.7.2 Methodological Scope**

The study uses single research methods to allow easy of cross-checking and confirmation of findings. Single methods were enough to examine the specific objectives which vary in their relative tractability to use quantitative approaches. The core methodologies used in generating the data underlying the findings of this study was surveys of employees of NIB international bank. Survey conducted using questioner at head office and five additional branches of NIB international Bank.

## **1.8 Limitation of the Study**

The process of doing this research was not without its challenges. One factor was that the respondents' thoughts and impressions served as the foundation for the investigation. Therefore, it's probable that some prejudice and misunderstanding showed up in their answers.

The research study is limited to one company, and its conclusions were not exhaustive enough to represent the range of organizational cultures that might be relevant to other companies in the same sector. Therefore, in order to increase the empirical data in the subject, future researchers should broaden their studies by including diverse organizational culture models.

## **1.9 Organization of the study**

There are five chapters in this study. The first chapter contain main chapters like background of study, problem statement, both general and specific objectives, significance of a study, scope in terms of thematic and spatial, and definition of key terms. The second chapter incorporates the related literatures on the major themes such as organizational

culture, types of organizational culture, levels of organizational culture, theories of organizational culture, and the concept of employee performance.

The third chapter is research methodology specifically contains the study's research design and methods, techniques, reliability and validity tests, and also ethical considerations. The fourth chapter concerned on data presentation, analysis, and interpretation. Last chapter, a chapter five summarizes the major findings, conclusions, and recommendations.

### **1.10 Definition of key Terms**

This topic presents conceptual definitions of terms used in this study.

**Culture:** views, values, assumptions, understandings, and conventions that people living in the same area usually shares.

**Organizational culture:** a structure of collective meaning adhered to by members that sets the group apart from others.

**Employee performance:** refers to the degree to which a worker in a particular organization performs the duties that are under his control and in line with what the employer wants. (Nasution et al.)

**Mission:** relates to an organization's goal and direction, it inquires as to whether the organization knows where it's heading, and emphasizes stability as well as an outward emphasis. (Denison, Nieminen, and Kotrba, 2014)

**Adaptability:** refers to a worker's capacity to comprehend what a consumer needs, pick up new talents, and adjust to shifting circumstances. It also inquires whether the corporation is responding to its surroundings. (Denison, et al, 2014).

**Consistency:** asks if there are values and systems in place to generate leverage and refers to shared values as well as efficient systems and processes. (Denison, et al, 2014)

**Involvement:** refers when employees in an organization are aligned and engaged within the organization and reflects a focus on the organization's internal dynamics and flexibility (Denison, et al, 2014).

# **CHAPTER TWO**

## **LITERATURE REVIEW**

Researchers work to understand corporate culture and how it affects worker performance theoretically and empirically. The pertinent literature is reviewed in this section of the study. The conceptual framework for this study and a summary of the work of many scholars on the connection between corporate culture and employee performance came towards the end of the chapter.

### **2.1 Theoretical overview**

#### **2.1.1 Overview of organizational culture**

Organizational culture aims to comprehend the nature of work, including worker attitudes, behavior at work, and performance inside an organization (Deal & Kennedy, 1982; Malinowski, 1944). It is described as the fundamental views about the company, valuable things and issues in the company, the way people behave in the entire organization (Schien, 1999). These widespread presumptions dictate what is appropriate as well as unacceptable behavior in the workplace. They are articulated as formal rules (like policies and procedures) and informal rules (like generally accepted expectations, norms, and standards). According to Osmanowitz (2022) organizational culture is the underlying pattern of shared assumptions, values, and beliefs that are considered the right way to think and act on the problems and opportunities that an organization faces. It determines what is important in the organization and what is not. Schein (2010) defined Organizational culture as it similar to a company's personality in that it is a set of values explaining why employees at all levels of the organization behave the way they do. Schein further emphasis on how employees should pay attention to how they should react emotionally and what actions they should take in various situations.

Scholars from various disciplines such as psychology, sociology, and anthropology have used their collective perspectives and methods to study culture. As a result, they came up with more than 54 different meanings but with single concept known as “organizational culture” (Verbeke et al,1998). The reason for this generalization according to Verbeke et al is culture is abstract, dynamic and often subtle in nature. They concluded that the pervasiveness and strength of culture can sometimes unknowingly affect employee behavior. However, companies can improve their working environment by understanding the phenomena of organizational culture.

### 2.1.2 Components of Culture

Armstrong, (2010) describes, organizational culture in terms of values, norms, artefacts and management style. Values are opinions on what is right or beneficial for an organization, as well as what should or shouldn't occur. The influence on behavior increases as the value rises. Whether they are stated or not is irrelevant. While idealistic principles that are held and not reflected in managerial behavior can have little to no influence, implicit values that are deeply ingrained in company culture and reinforced by managerial action can have a significant impact. Values are referred to as "values in use" when they are put into action. Value expression areas, either explicitly or implicitly Concern for people, Capabilities, Competitiveness and Innovation.

**Norms** are unwritten rules of conduct and rules of the game provide informal guidance on how to behave which includes standards tell people what to do, say, believe, and even wear.

**Artifacts** People can hear, see, or feel artifacts of an organization to help them comprehend its culture. Artifacts are the visible, physical characteristics of an organization. This can include things like the office setting, the language and tone used in emails, letters, and memos, how employees address one another in meetings, emails, or phone conversations, how certain visitors are welcomed (or not), and how the phone handles incoming calls, among other things.

**Management style:** The approach managers take in dealing with people is called their management style. Denison (1990) defined an effective organizational culture as one that has successful strategies, effective leadership, excellent employee performance, and moral philosophy (Denison, 1990). According to Schein (2010), members of an effective organizational culture understand how to communicate with different stakeholders. Therefore, business leaders use effective organizational culture models to execute organizational strategies and improve organizational performance (Monzavia, Mirabib and Jamshidi c, 2013). The Csuite and influential key personnel must decide what needs to be done to build the cult ure in the organization. Managers should always choose actions that balance the interests of the organization and the interests of employees. Interest group. Managers must use the instrumental ethical value s embodied in the organizational culture to make these decisions, which outline the best possible course of action in a situation where an action may help one but harm another. As we learn to see the world through a cultural lens, all sorts of previously mysterious and frustrating phenomena begin to make sense.

### **2.1.3 Types of organizational culture**

According to Sinha (2000), organizational culture can be declined in different ways. These differences are what differentiate one organization from another. Here are some of the bases of differentiation he offers:

#### **Strong vs Weak Cultures:**

Organizational cultures can be categorized into strong and weak cultures based on the degree to which members of the organization share core values and their commitment to them the higher the sharedness and commitment, the stronger the culture increases the possibility of behavior consistency among its members, whereas a weak culture allows each member to express concerns that are unique to them. A strong culture can motivate people by creating a sense of common purpose. It promotes group harmony by facilitating understanding between individuals by adhering to common standards. On the other hand, a weak culture can be problematic because people don't have common goals or values. It's hard to communicate, make decisions, get along, and be productive when everyone has a completely different approach and perspective on everything.

#### **Formal and Informal culture:**

The formal components of organizational culture have a strong influence on the work culture of the organization. Formal culture includes roles, responsibilities, accountability, rules and regulations. They set out the organization's expectations for each member and outline the consequences if those expectations are not met.

#### **Soft vs. Hard Culture:**

In organizations with several conflicting agendas, soft culture can exist. In a soft culture, workers give priority to objectives that further their own or the department's interests. Many public sector organizations have a "soft culture," where management finds it necessary to discipline staff in order to maintain high levels of productivity. People in this culture are held responsible for their errors but are not rewarded for their achievements. Thus, workers prioritize their personal and social commitments over their work. Sinha (1990) provides a case study of a public sector fertilizer company that aimed to encourage industrial activity and employment creation in rural areas with low levels of industrial development. The government is under pressure from the local community and the government to overstaff the team, switch from automated to manual processes, pay overtime, and enforce slack discipline. As a result, the company suffered significant financial losses (up to 60% of its capital).

### **2.1.4 Models of Organizational Culture**

Various researchers have created models of organizational culture that incorporate various traits or actions that are motivated by the assumptions and ideas that form organizational culture. The Charles Handy Concept model, the Deal and Kennedy model, and the Edgar Schein model are only a few of the significant organizational culture models that Dolan and Lingham (2012) discuss. This section also discusses the Denison model of organizational culture in addition to these three theories. All cultural patterns share a need for employee values to be in line with the organization's vision and mission, and this requirement is related to success of an organizational.

#### **Deal and Kennedy Model**

Dolan and Lingham (2012) make an effort to condense the model into the following. The approach gauges organizations based on prompt feedback or response, leading to the creation of four organizational culture classes. It's a culture of the "hard man," "hard work," "dedication," "bet your company," and "process." The first fierce culture that offers quick rewards and high returns. This is frequently true for fast-paced financial activity like brokerage, where the workplace culture is stressful. Second, limited risk-taking and prompt feedback are traits of a work-and-play-hard society. This is typical of big businesses that aim for excellent customer service. Third, take advantage of the culture of your organization, where important decisions are made but the results may not be seen for years. Typically, this can involve development or exploration projects that take years, such as oil exploration or military aviation. Fourth, process culture occurs in organizations with little or no feedback. People are starting to ask how things are done rather than what needs to be done. It is often associated with bureaucracy.

#### **The Charles Handy model'**

The second model discussed in detail by Dolan and Lingham (2012) is the Charles Handy model. Organizational structure is the basis of this model Dividing organizational culture into four categories Culture of power, power is concentrated in the hands of a few people and controlling power radiate s from the center as a network. Culture of power Few rules and bureaucracy A culture of roles characterized by people with clearly delegated power within well-defined structures. Often these organizations form hierarchical bureaucracies, so power comes from individual positions, leaving little room for expert power. Develop a mission culture for teams to solve specific problems: As long as the team needs expertise, power comes from expertise. These cultures often contain multiple reporting lines in a matrix structure. Personal culture exists where all individuals perceive themselves as

superior to the organization. survival can become difficult for such organizations because the concept of organization suggests a group of like-minded individuals pursuing organizational goals.

### **The Edgar Schein model**

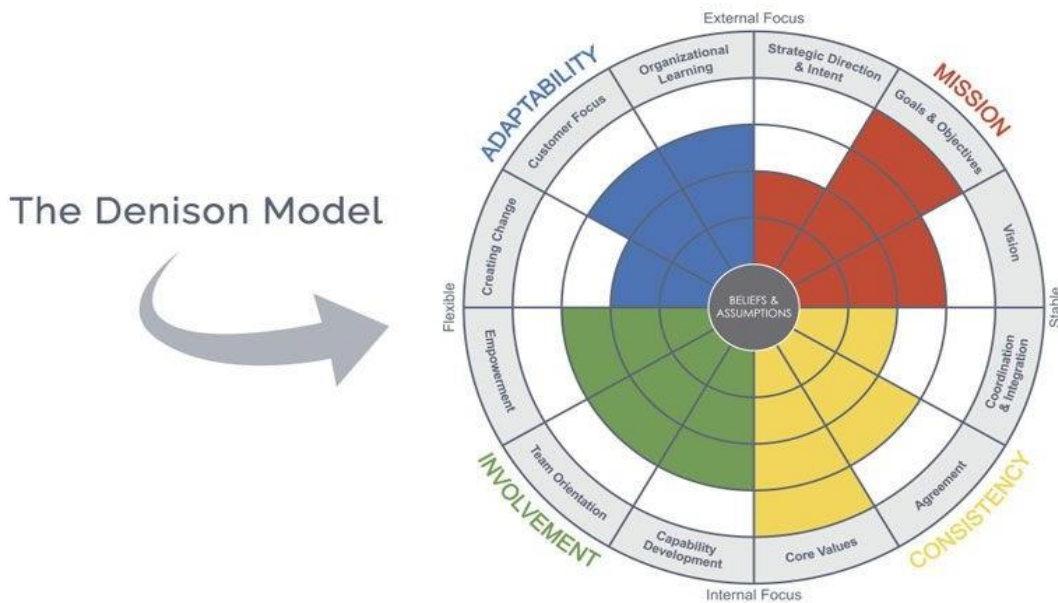
The Edgar Schein model of corporate culture is the one that Dolan and Lingham (2012) aim to summarize. Three cognitive layers of organizational culture are used to explain this paradigm of organizational culture. The organizational characteristics that an untrained observer may observe, experience, and sense are at the first and shallowest level in Schein's model. These include the organization's physical assets, such its buildings and furniture, as well as its members' attire, visible interactions with one another, and interactions with persons outside the organization. The perception of the organization's culture by its members is addressed at the following level. At this level, the organization's local and individual values are publicly conveyed, along with corporate slogans, mission statements, and other operational beliefs. The organization's default premises are described at the third and innermost level, respectively. The interactions that take place between members of an organization on a regular basis do not reveal these cultural characteristics and are cognitively unrecognizable. Many of these "hidden rules" are in place without the members' knowledge. The third model, which was developed in an academic environment using noncommercial language, incorporates elements of organizational culture through a psychology or personality standpoint. The other two models are based on organizational culture. Denison's organizational culture model, which will be explored in the paragraphs that follow, is behavior-based and was developed in a corporate setting. This rule is applicable at all organizational levels where business outcomes are dealt with in formal language.

### **Denison's model**

The four primary characteristics of organizational culture, according to Daniel Denison's model (1990), are mission, flexibility, involvement, and alignment. Additionally, the Denison model allows for broad categorizations of culture as internal or external, fluid or fixed. This methodology is frequently employed to identify cultural problems in workplaces. The figure below depicts the Denison model. Organizations with a strong internal emphasis put a lot of effort into internal system, structure, and process integration. They care about people and proud of the caliber of a good or service. Strong internal focus is linked to improved resource management, lower levels of errors and rework, increased employee satisfaction, and higher quality standards. The organizational culture model



developed by Denison emphasizes four crucial traits that successful organizations must master. At the heart of the model are the “beliefs and assumptions” of the organization. It is an ingrained aspect of organizational identity that is often hard to find.



**Source:** Over view of introduction of Denison Model.

Figure 1 Denison Culture Model

### **Involvement**

Involvement asks if its employees are aligned and engaged? This is due to the fact that the successful organizations increase employee’s capacity, their organizations structured around teams, and develop capability of all personal at all level. Both executive managers and employees are dedicated to assigned responsibilities and feels belongingness to the company (Becker,1964; Lawler, 1996; Likert,1961). People at all levels believes of the organization may believe that they have at least some say in decisions that affect their work and that their performance for their assigned work is directly related to the organization's goals. Fey (2000) as a result concluded that an effective organization is one that is able to change in response to circumstances and contexts, while maintain a strong attention to its customers clients and employees.

### **Consistency**

Consistency asks if there are values and systems in place to generate leverage? this trait believes that organizations are effective or successful since they have strong, highly consistent, well- coordinated and well-integrated organizational cultures. Also, they have ability to stay focused and predictable through time. Behavior is rooted in a set of core values. leaders and followers are adept at reaching consensus even when opposing opinions exist. Such kinds of consistency is a strongest source of internal integration and



stability that results from a collective consensus its most popular form, this viewpoint emphasizes the positive effect that a "strong culture" can have on organizations effectiveness. meaning that a shared system of beliefs, values, and symbols that are widely understood by members of that organization improves their ability to reach consensus and carry out coordinated actions. Frost et.al. (1985) have emphasized the benefits of collective beliefs and values to organizational effectiveness. Frost et.al. argues that shared meaning has a positive effect because employees, managers, owners of an organization all work from a common framework of values and beliefs that serves as the base ground for effective communication. Emphasizing on a few general value-based principles on which specific actions shall be based, individuals are better able to respond predictably to an unpredictable environment.

### **Adaptability**

Adaptability asks if the organization is responding to its surrounding? Ironically, well-associated and integrated organizations are often the most difficult to change since their Internal integration and external adaption are frequent in conflict. Organizations that can be adaptable are most of the time are driven by their customers, they can take risks and learn from their previous mistakes, and they have the capability and sufficient experience to implement change. They are constantly modifying the system in order to improve the organizations' collective ability to provide value to their customers as well as clients. Schein (1985) discussed the relationship between organizational culture and adaptation by emphasizing that Culture is typically made up of collective behavioral responses that have proven to be adaptable. when these organizations confronted with new situation tries the previously learned collective responses that are already in its repertoire. New situations that are differ from old ones have the ability to unlearn the old practices or codes and create a new one. A new one becomes a critical component of the adopting stages. It claims that a group or organization needs a set of norms and values to enable it to take in, analyze, and transform signals from its context into internal behavioral changes. These can increase its ability to survive, expansion and development's concept of morphogenesis, or a system's ability to acquire an increasingly complex adaptive system, has been discussed by theorists using the general systems theory language. Such concepts are easily applied to describe how an organization continuously changes its internal structure and processes in order to increase its chances of survival. In practice, the lack of adapting to situations is well known and easily identified. Which inevitably supports a system of values and beliefs toward stability (Denison and Mishra, 1989).

## **Mission**

Mission asks if the organization knows where it's going? successful organizations usually have a clear sense of purpose, direction that clearly define organizational goals, objectives and vision that shows how the organization will look in the future. Torbert (1987) states that though few authors have written directly on this subject, most of them agree as mission has major influences such as explains why an organization's work is important and a strong sense of mission provides clear direction and goals that help to define the best course of action for the organization and its members. Both these factors emerge from the organization's core values. A mission gives an institution a purpose and meaning by defining its social role as well as individual roles in relation to the institutional role. This process imbues behavior with intrinsic and spiritual meaning that transcends functionally defined bureaucratic roles. The internalization and identification process promotes commitment and results in effective performance. A mission statement outlines a set of objectives that go far beyond the short-term goals of most organizations. The firm's broad long-term goals help to structure behavior, especially in successful and experienced organizations (Denison and Mishra).

### **I. Relationship between Characteristics of Daniel Dennison's Organizational Culture and Employee Work Performance**

Participatory Organizational Culture and Employee's Work Performance Participation is mechanism that employees taking role for deciding how to conduct jobs. work, make suggestions for improvement, set goals, determine, plan and monitor their performance ( Macleod & Brady, 2008). A culture of performance exceeds expectations and achieve exceptional results based on a shared desire. However, according to Achua & Lussier (2013) it starts with the individual and organizations with a high- performance culture view employees as their primary asset. Therefore, they take care of employees with dignity and respect, let them involve in decision making, celebrate achievements of both individuals and team, and use rewards and punishments mechanisms to enforce high performance standards. (Achua and Lussier, 2013). Manyonyi, (2012) states that one mechanism to improve the job performance of employees is to involve them in organizational decision making, to the minimum extent that they are allowed. Some decisions should naturally be kept secret by their nature, but there are others that require the involvement of employees in the organization. (Manyonyi, 2012) have suggested that these decisions be made with the participation of the people concerned, that is, by consulting them or through dialogue

to understand their point of view and ability to produce new ideas. Organizations with a culture of employee's active participation in different activities of the organization can perform better since employees can get decision making power, holding them accountable for any failures. Considering solutions during board meetings can easily lead managers to forget to consult those who are important to their employees (Bakker et al., 2008).

## **II. Organizational Culture of Consistency and Employee Work Performance:**

According to Denison, (1990) consistency is the degree to which standards, beliefs and values are learned and shared between members of the organization. Achua & Lussier, (2013) defined organizational culture as a normative order that serves sources of consistent behavior in a company. Organizations are often more effective when most members identify with their core values. New adopted or endorsed procedures and activities could be difficult for implementation if they do not prepare according to the culture of the company. A culture of alignment is derived by managers in the organization who are expected to be exemplary for employees. Achua and Lussier states the stories told, the decisions and the actions they take exposed the cultural expectations of customers even though these didn't clearly explain by them. At the same time employees learn important practices in the organization by observing the manners of leaders. focusing on whether these leaders' behavior aligns values of the organization. Likewise, managers with an organizational voice, they must ensure that clear expectation are communicated to everyone in the company. These requirements must be supported by promises and actions of managers who frequently offer people to know the essentiality of their conducts in the company.

Another method for creating a cohesive culture in an organization is fostering a culture of alignment by design the physical work environment that can reflect the values they wish to promote in their company (Achua and Lussier, 2013). These according to Achua and Lussier include employees share lunch rooms, no dedicated parking, and similar offices are consistent with equality values; an open office layout with fewer walls between employees. Kotter and Heskett (2012), states as leaders shall to provide access for people to easy of learning and growing, and work that matches their strengths and interests. However, Gordon (2008) focuses on that "organizational values" as part of corporate culture to greatly facilitate the recruitment process.

Depends on the type of work. Organizations look for certain qualities when hiring. To maintain high performance culture, organizations must be consistent to recruit only top talent with specific standards. Alignment shall also to be considered in terms of the values

and purpose of the organization and its employees. The extent to which the values of an organization match with an individual's determines whether an employee is a good fit to assign for specific tasks (Khan, 2015). Khan suggested that as it is important to match personal values with organizational culture because a culture of shared goals lead to actions that help the organization achieve common or collective goals. Alignment as part of "organizational culture" creates a strong organizational culture by reinforcing the positive aspects of the organization, which results in high organizational performance. Employees have reasons to care off the way they work in such companies or organizations. The challenges of market induced change or organic growth are manageable because culture which is stable can produces dynamic and agile companies (Gordon, 2008).

Adaptability of Organizational culture and employee work performance, Adaptability is also extremely important in the development of organizational strategy. Indeed, Gordon (2008) asserts that the alignment of personal and corporate values will increase employee engagement. As a result, employees derive more satisfaction from their work and are motivated to work harder and do their best. Runy (2007) agrees and adds that high performing organizations have engaged workforces that are aligned with mission, vision and values and are motivated to achieve organizational goals. Achua and Lussier (2013) confirmed that culture provides a shared understanding of organizational identity. The right culture makes employees feel like valued participants and therefore motivated to take on the challenge of achieving the organization's mission and working as a team. It can transform an organization's employees into a source of creativity and innovative solutions.

Culture of Employee Mission in Organization and Job Performance: Achua and Lussier (2013), mentioned a unique corporate culture brings value to the organization and is therefore difficult to replicate or imitate. In this regard, it helps to establish and maintain a company's competitive advantage. To do this, organizations must have meaningful mission statements and values; statements that people will take seriously; a set of overarching beliefs that serve as a powerful guide for daily action and are reinforced in a hundred different ways, both symbolically and in substantive sense. Organizations that value innovation encourage high employee performance because it promotes competition among employees. This will allow all other employees in the organization to perform at their best, to stand out and to be rewarded and recognized. It is sometimes referred to as a credo, objective, or statement of corporate philosophy and values (Forest and David 2003). It often reflects the values and beliefs of an organization's senior management. So it all

starts with organizational leaders defining those values and then helping employees discover how their personal values are validated when they work in accordance with the organizational values. Gordon (2008) asserts that this alignment will allow personal and corporate values to increase employee engagement. As a result, employees derive more satisfaction from their work and are motivated to work harder and do their best. Runy (2007) agrees and adds that high performing organizations have engaged workforces aligned with mission, vision and values and motivated to achieve organizational goals. Achua and Lussier (2013) confirmed that culture provides a shared understanding of organizational identity. The right culture makes employees feel like valued participants and therefore motivated to take on the challenge of achieving the organization's mission and working as a team. It can turn an organization's employees into a source of creativity and innovative solutions.

### **2.1.5 Performance of Employee Overview**

Every organization was established with a certain mission in mind. These objectives can be accomplished by utilizing resources including labor, equipment, supplies, and money. To achieve organizational goals, employee performance is a crucial aspect. In other words, when people perform well in their various roles, they support the idea that the company will succeed and generate revenues and goodwill, whereas when they perform poorly, it impedes the organization's ability to advance. The degree to which an organization accomplishes its goal of creating staff positions is defined as downward performance. Singh and Billingsley (1996), defined performance as it is the outcome of a worker carrying out their duties in a way that advances the objectives, they have set for themselves at work. Armstrong, (2006) stated that workers performance refers to the ability of any workers to successfully and effectively perform the functions and tasks delegated to them within the organization.

Kotter and Heskett (1992) describe in more detail the completion of a given activity compared against currently known criteria of execution accuracy, completeness, total cost, and speed. The total amount to which an employee behaves in the workplace to accomplish the mission of the organization is known as “performance”. To this extent, individual performance is a central concept in psychology of works and organizations (Casio, 2006). Armstrong, (2006) explains that employee performance is not only related to the achievement of a group of employees (team) or individual employees against set goals and objectives, but also to the willingness and motivation of employees or individual employees to maintain and promote organizational values. Bernardin and Russell (1993),

defined performance as it is the data of results produced by tasks of individuals over a certain period of time. From this point of view, performance is characterized by the distribution of results achieved and can be measured using various parameters that define the employee's performance profile over time. In addition, according to Dessler and Varrkey (2005), employee performance is a comparison between performance of an employee and baseline standards. Thus, performance is a major multi-dimensional construct designed to achieve outcomes and is closely linked to the objectives of the organization's program (Mwita, 2000). In addition, employee performance is calculated against the performance criteria required by the organization. Good performance means the performance of an employee in the tasks assigned to him (Kenney et al. 1992). Irrespective of all the factors and conditions, employee's performance in the workplace is the primary concern of an organization and is also closely related to the growth process of the organization. Therefore, it's need to consider employees as important assets of their company (Qureshi and Ramay, 2006).

#### **2.1.6 Factors Affecting Employee Performance**

Many factors, both individually and collectively, have the potential to positively or negatively impact employee performance, according to some academics and practitioners. According to Northouse (2007), leadership is a procedure through which an individual persuades group members to accomplish a shared objective. According to Dubrin (2004), a leader's relationship patterns with their subordinates are the result of a combination of their attitudes and behaviors. (Armstrong & Murlis 2004; Cronje et al 2001) The manner of leadership within a company can affect whether they foster or stifle employee success.

According to Champathes (2006), coaching has grown in importance as a tool for increasing performance. The coach identifies what may be improved and how in what appears to be a two-way conversation rather than a one-way exchange. Other guidance concentrates on attitudes and conduct that limit success (Toit, 2007). Furthermore, coaching is about assisting others in enhancing their performance (Starr, 2004).

Empowering process, Duvall (1999), defined success is defined as performance and accomplishment, and empowerment looks like this: (1) Individual success as demonstrated by employee role performance; and (2) collective organizational success attained by all organization members. goals and objectives of the organization, and (3) enjoy rewarding work experiences with other members of the organization, addressing the demands of social and personal development. Additionally, performance and pleasure are positively and significantly correlated with empowerment (Bartram and Casimir, 2007).

In particular, follower performance in the job was more strongly correlated with empowerment than was leader satisfaction.

Participation In their 2006 study, Chen and Tjosvold discovered that participative management incorporates staff members in the decision-making process when staff members believe they have the chance to debate concerns and have a say in decisions. administrative choices. Employees will be more motivated if they believe that management views them as partners in the organization's success rather than as merely subordinates. As a result, they will refrain from acting in an unproductive manner, which will improve performance by allowing the organization to meet its goals and objectives on schedule (Carrel, Kuzmits, & Elbert, 1989).

Organizations culture is the set of values and behaviors of people, considered a tool for the successful achievement of organizational goals (Schein, 1990). A strong culture in an organization is very helpful in improving employee performance, thereby achieving goals and improving the overall performance of the organization (Deal and Kennedy, 1982). According to Stewart (2010), the norms and values of organizational culture have a great influence on those who are directly or indirectly involved in the organization. Despite being intangible, these standards have a big impact on how well employees work and how profitable the company is. The most crucial quality is shared values. Operational and functional strategies should place the utmost importance on building a strong organizational culture that fosters adaptation, improves workforce performance by directing employees toward shared goals and objectives, and ultimately molds and directs employee behavior in predetermined directions (Daft, 1984). One of the core tenets of corporate culture is the shared values of the workforce (Smit and Cronje, 1992; Hellriegel, 1998).

### **2.1.7 Organizational Culture Impacts on Employee Performance**

Several researchers have demonstrated a connection between company culture and worker performance. Employee performance is influenced by organizational culture since it is inextricably related to organizational practices. Hellriegel and Slocum (2009), states about Organizational culture, as it can enhance performance by massive extents. They contend that an organization's culture helps employees get familiar with the past and current methods of operation of the company, and that this particular orientation gives employees advice on future expectations for acceptable organizational norms and behaviors. Additionally, an organization's positively or negatively affect performance of employees depends on the type of organizational culture that is developed there. It may have adverse



or favorable consequences. Employees feel accountable for the organization's general well-being and link their personal aims and aspirations with those of the company, which explains why this is the case. They are extremely productive because management recognizes and rewards them for their accomplishments. Employee commitment to goal achievement in this corporate behavior has a favorable effect on the operational capacity of the business as a whole. Employees work place performance is significantly influenced by cultures in the organization. Therefore, it is in the organization's best interest to minimize the detrimental elements that hinder performance of employees so as to establish a pleasant work environment and organizational culture.

## **2.2 Empirical Review**

There are a limited number of studies in Ethiopia on the impact of organizational culture on employee performance. However different studies have shown that a positive and strong culture helps employees to perform and succeed in optimum, while a weak and negative culture weakens their performance and even kill motivation of efficient workers. Using the Nigerian banking sector as a case Ojo, (2009) empirically assessed the impact of corporate culture on employee's performance and organization scale productivity. It seeks to determine whether organizational culture negatively impacted employees' performance on their job and makes recommendations regarding organizational culture and work performance of employees. Ojo concluded that the majority of respondents strongly agree that culture of corporate organizations has an impact on employees' work place performance, and the majority of respondents agree that corporate culture has an impact that determine s the productivity level of an organization. Nasution et.al, (2018) demonstrates as the stronger an organizational culture is, the more to influence on the behavior of employees. As result it will ultimately improve employee's performance. They further pointed out that a strong culture refers to fixed values that are held more deeply and tenaciously and widely followed and inherited. Deal and Kennedy, (1983) further showed that a strong organizational culture is highly beneficial in improving employee performance, thereby achieving goals and improving the overall performance of the organization.

Understanding the culture of a company thus makes it possible to understand the current functioning of the organization as well as its past history. Awareness provides clues about anticipated future behavior (Yilmaz and Ergun, 2008). Additionally, it can foster a commitment to company values and philosophies that create a shared feeling for missions with common goals. All mentioned and stated empirical studies confirmed that as



organizational culture is highly influential factor that can best enhance employee performance.

### 2.3 Conceptual framework

The researcher selected on Denison's organizational culture model regardless of the fact that there are several organizational culture models and frameworks. The rationale behind using this model as a conceptual framework is as follows: The model's main strengths are that it examines group behavior, that it can be used to measure organizational culture dimensions at all levels of the hierarchy, and that it is a thorough model. In contrast to other organizational culture models, this one has a direct effect on organizational culture and offers a distinctive framework. In other nations, the Denison's model has been extensively employed to diagnose corporate culture.

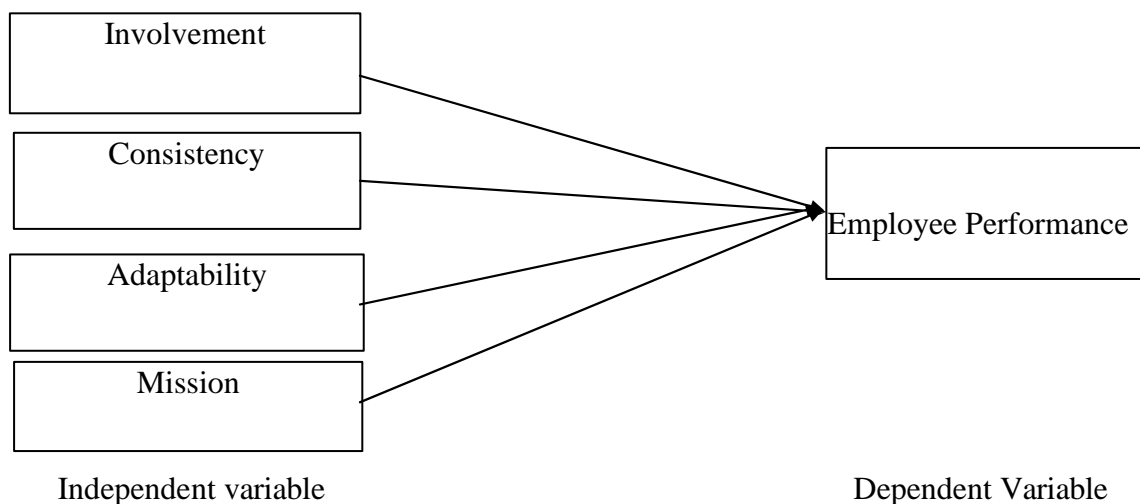


Figure1: Conceptual framework of the relationship between organizational culture and Employee performance. Source: The researcher has adopted Denison's framework as it is suitable for this study.

According to Denison (2005), Each trait breaks down into three indexes. For example, Adaptability breaks down into Creating Change, Customer Focus and Organizational Learning. Each index is made up of four questions, for a total of 48 questions, on the survey. Denison states that, the Denison Organizational Culture Survey can be customized to meet your organization's specific needs. Organizational culture measured using independent variables such as involvement, consistency, Adaptability and Mission. an independent variable "Involvement" measured using 14 variables that are categorized into empowerment, Team Orientation, Capability Development. Another variable "Consistency" measured by 9 specific factors that are categorized in to three sections such as "core value", "Agreement" and "Coordination and Integration". An independent variable called

"Adaptability" contains 10 specific factors that categorized into three sections: "creating Changes", "Customer Focus" and "organizational Learning". The last independent variable called "Mission statement" has six specific factors that are categorized into three sections: "strategic direction and Intent", "Goal and Objectives", and "Vision". Employee job performance measured using 18 specific factors that assess performance accomplishment of respondents within organization. Employees performance progress, skill, motivation for work, efficiency in terms of timely accomplishment, supervision and evaluation in the organization, ability to take more responsibility, ability to meet goals and standards, ability to make judgement with limited information, openness to give and act for feedbacks, accept challenges and ability to give attention for assigned responsibilities.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This section deals about research approach and design, description of the study area, research type, sources of data, the target population, sample size, method of data collection, data analysis and interpretation tools.

#### **3.1 Research Design and Approach**

Cooper & Schindler (2004), states that a research design is the framework to use as a guide for collecting as well as analyzing data. Therefore, the research design used in this study is explanatory research design. which was by considering the purpose of the research and the current phenomenon. As result the author provides explanations of observed phenomena, problems or behavior, and also indicate the causal relationship between the independent and dependent variable (Teklu, 2015). Then the data presentation and quantitative data results generated using the Statistical Package for Social Science (SPSS) these shows quantitative approach selected. “Quantitative methods provide an opportunity to maximize the values of precision, systematization, repeatability, comparability, convenience, unobtrusiveness and cost effectiveness” (Tucker et al. 1990, p. 5). This author used cross-sectional sample survey study design. Cross sectional sample survey conducted at once, represent a snapshot at one point and in a single time. Therefore, in this study the author used both descriptive and inferential statistics. The descriptive statistics to regarding the sample respondent’s information whereas, inferential statistics regarding wider population.

#### **3.2 Data Sources and Types**

The Author used primary data and secondary data sources. The primary source of data was structured questionnaires administered to selected employees of NIB International Bank. Secondary data used in this research were reports, and online journal articles that assisted the author while drawing research findings. Data regarding employees was also analyzed aim at identifying employees' roles in the organization.

#### **3.3 Target Population, Sampling Frame and size**

The target population of this research was employees of NIB International Bank. These employees were located at different locations in Addis Ababa. As studying the whole employees’ more than 7500 of NIB International bank is which is impossible due to high cost and time requirements. The researcher selected six branches of NIB based on their

conveniences and proximity to the researcher. The other reason for selecting six offices one head office and five branches, was the limited time which is given to conduct the study. Therefore, the option that the research can use random sampling which can be conducted by using online data collection method was not considered. The following table is generated from each NIB HR database of employees. The target population includes all of the branch employees, with the exception of guards and janitors, who are not permanent employees of NIB International Bank and may have limited understanding of organizational culture, due to the subject's complexity. The target population consists of 183 employees, and the size of each branch within the district is shown in the table below. In addition, six bank branch managers at each branch were interviewed.

Table 1 Target population and Sample size

No	Name of Branch	Number of employees
1	Head Office	45
2	Ras branch	25
3	Tana branch	17
4	Megenagna Branch	20
5	Head office premium branch	47
6	Bisrat Gabriel Branch	29
	Total	183

Source: Compiled from the district human resource

As studying the whole employees more than 7500 of NIB International bank is which was impossible to administer the questioner to all due to high cost and time constraints. In this research, due to cost and time constraints among the bank's 410 branches spread across all over the country, 6 branches located in Addis Ababa were used as target populations. All target populations are considered by applying census, complete enumeration, or stratified sampling. The total number is 183 which is manageable to collect the data.

### 3.5 Data collection method

The author used primary sources of data that collected using questionnaire. The questionnaire first administrated to each branch office human resources focal persons. They facilitated also questioner distribution as well as return process from the selected respondents under their respective offices. The researcher had given brief introduction to the Human Resource focal persons on how it should distribute and collected. The questions

were organized by Likert's scale of measurement which ranging from strongly agree to strongly disagree (Strongly agree 5, Agree 4, Neutral 3, Disagree 2 and Strongly Disagree). 165 of NIB international bank employees participated from using census data distribution method. Respondents were from a head office and other five branches of NIB international bank. Though a bank has 410 branches due to time constraint author addressed only five of them including a head office. Responses on these statements are fall under five categories employee's performance, involvement, consistency, adaptability, mission, and organizational culture. Each of these variables are measured using mean score based on responses rate of each factor.

### **3.6 Data analysis method**

Author so as to analyze collected data used both descriptive and inferential statistics methods. Simple summary of the sample data from the respondents, including means and standard deviations, is provided by descriptive statistics. Tables, pie charts, frequency distributions, and percentages are used to illustrate the results of descriptive statistics to give a quick overview of the data. While using inferential statistical regression to examine whether independent variables have significant changes on the dependent variable. correlation conducted to investigate the relationships between variables and regression analysis were also conducted test the influence of independent variables on the dependent variable. Furthermore, to support analysis process the author used Statistical Package for Social Science version (SPSS version 20.0).

### **3.7 Validity and Reliability**

Research must always be grounded in the acceptance of a measuring device, which must be evaluated according to the norms of adherence to perfect dependability, confirmed practicality, and validated validity. Before deploying the data collecting instrument, it is important to evaluate the validity and reliability of the measurements (Hair 2003). While reliability is concerned with the consistency of measurement, validity asks if an instrument can measure anything accurately.

#### **3.7.1 Validity**

Validity indicates the extent to which instrument measures what it required to evaluate (Kothari, 2004). Mugenda & Mugenda (2003), stated that the accuracy of data depends on the accuracy of data collection instruments whether is passes validity as well as reliability tests. A pilot study conducted to customize the questionnaire, as well as comments and suggestions from the research project advisor. These test during primitive stage of a

research revealed gray questions and terms that needed to be clarified. It allowed the researcher to take measure early before the questionnaire administrated to respondents.

### 3.7.2 Reliability

reliability refers to the extent to which the data collection techniques and procedures will yield consistent findings Easter by smith, et al., (2008). Reliability analysis used to measure the internal consistency of questionnaires. There are different methods of reliability test. For the purpose of this study, Cronbach’s alpha was considered to be suitable. Cronbach alpha reliability coefficient normally ranges between 0 and 1. According to George & Mallery (2003) provides the following rule of thumb for the Cronbach’s alpha >.9 excellent, >.8good, >.7 acceptable, >.6 questionable, >.5 poor and <.5 unacceptable. Accordingly, reliability results of the measurements for the variables of organization cultural and employee job performance were depicted in the table below.

Table 2 Measure of Internal Consistency–Cronbach’s Alpha

Measurements	Items	Alphas levels	Internal consistency
Involvement	14	0.988	Good
Consistency	9	0.827	Good
Adaptability	10	0.892	Good
Mission	6	0.802	Good
Employee Performance	18	0.898	Good

Source: Own survey data adopted from SPSS 20

The above table, illustrates organizational culture dimensions such as Involvement, Consistency, Adaptability and Mission. Employee job performance were classified under the level of good since it’s alpha score is greater than 0.8. In addition to these “the overall organizational culture” dimensions were categorized under the level of excellence since it’s alpha score is more than 0.9. To conclude, the overall Cronbach’s Alpha value have satisfied the requirements.to be more than >0.80. This indicated that all the above variables were within the stated range. Therefore, the author concluded that there is internal consistency between independent and dependent variables.

### **3.8 Ethical Considerations**

**Informed Consent:** To determine the subject's willingness to engage in this study, the researcher used an oral informed consent. Before the research begins, the participants receive information about the study's goals, duration, required procedures, and advantages. Participants have only advanced to the next stage after providing informed consent.

**Anonymity and Confidentiality:** By excluding the names and identities of the participants from the data collection, analysis, and reporting phases of the study, the researcher has ensured that the anonymity and confidentiality of the participants are kept.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

Data analysis is as important as any other aspect of the research process. Regardless of how well the study is carried out, incorrect analysis can lead to incorrect conclusions (Gay, 1996, p416). It is clear that data analysis is regarded as a critical step and the heart of the research. Following the collection of data using appropriate tools and techniques, the next logical step was to analyze and interpret the data in order to arrive at an empirical solution to the problem. Frequency, mean, and percentages, as well as inferential statistics like regression analysis and analysis of variance (ANOVA), were used in the data analysis process. This research was conducted using the Statistical Package for the Social Sciences (SPSS-20) version.

#### 4.1 Response rate

The study used a sample size of 183 respondents; questionnaires were given to employees of NIB International bank. Of which 165 questionnaires were correctly filled in and returned which makes a response rate of 90%.

Table 3 Response Rate

Description	Respondents
Sample size	183
Questionnaire Distributed	183
Questionnaire Returned	165
Response rate %	90%

Source: Own Survey data (2023)

#### 4.2 Descriptive analysis on demographic characteristics of respondents

This section presents the results on the descriptive analysis. The results presented are about the distribution of respondents by age, gender, marital statuses, employment category, and length of service and highest level of education. Demographic characteristics were considered important in providing relevant background of the respondents from whom data was generated. They were also important because they had a bring on the respondents' understanding of the relationship between the study variables.



Table 4 Demographic Characteristics of Respondents

No.	Items	Response	
		No.	%
1.	Gender of the respondents		
	Male	135	82%
	Female	30	18%
	Total	165	100
2.	Age of Respondents		
	a)23-29	54	33%
	b)30-39	81	49%
	c)40-49	15	9%
	d)Greater than 50	15	9%
	Total	165	100
3	Marital Status		
	Single	89	52%
	Married	61	39%
	Divorced	15	9%
	Total	165	
4	Educational level of the respondents		
	Diploma	11	7%
	Degree	96	58%
	Masters and above	58	35%
	Total	165	100
5	Experience in NIB bank		
	a)1-3	40	24%
	b)4-6	71	43%
	c)Above 7	54	33%
	Total	165	100

Source own survey data 2023

The first section of the research questionnaire provided the demographic profile of the respondents to be used as a building frame for the interpretation of the results for the purposes of this study. The respondents' profiles are organized by gender, age, employment category, qualification, and organizational experience. The demographic profile of the respondents is captured and analyzed in the table above.

#### 4.2.1 Gender Distribution of Respondents

According to the above table 4.2 gender category, the majority of respondents, 135 (82%) are male, and 30 (18%) are female. Gender is an important factor to consider when comparing employee performance differences between men and women because they have different perspectives on organizational culture and its effect on performance. According to the findings of this study, there were more male respondents than female

respondents. This will be considered as a limitation of the study, because the findings from this data might more reflect a male perspective.

#### **4.2.2 Age distribution of the respondents**

The respondents' age groups were classified into four categories, as shown in table 4 above. The first age group is between the ages of 23 and 29, the second between the ages of 30-39, the third between the ages of 40 and 49, and the last group is over 50. According to the 54 results, 33 percent of the respondents were between the ages of 23 and 29. The majority of the 81 responses were from people aged 30 to 39. (49 percent). 40-49 years old, and over 50 years old. The organization under consideration has a young workforce capable of promoting and directing the establishment of the desired corporate culture at the bank. Furthermore, the age group suggests that they may have prior experience and knowledge of the impact of organizational culture on performance.

#### **4.2.3 Marital status of the respondents**

As indicated in the above table 4.2, 89(52%) of respondents were single and 61(39%) of respondents were married, 15 (9%) of respondents were divorced. The majorities of employees were single and had more opportunities to transfer from one bank to another than married employees. Married employees are more likely to exhibit stability and tolerance than single employees.

#### **4.2.4 Qualification / educational level of the respondents**

In terms of educational qualifications, the majority of respondents, 96 (58 percent), have a first degree, followed by 58 (35 percent) who have a master's degree and 11 (7 percent) who have a diploma. As a result, it is possible to conclude that the majority of respondents have a First Degree or higher and would be able to easily understand and inhabit the organization's culture, as well as a higher level of expertise that corresponds to their positions in NIB.

#### **4.2.5 Work experience of the respondents**

According to the descriptive data analysis of NIB International Bank respondents' experience levels, 40 (24 percent) had 1 to 3 years of experience with their current organization, 70 (43 percent) had 4 to 6 years, and 54 (33 percent) had more than 7 years. This could imply that the majority of the employees have been with the company for more than four years and were not hired in recent years. In general, the majority of employees have a college or university education. This demonstrated that the researcher was able to reaffirm that employees had an adequate academic background to comprehend the impact that culture has on their performance level.

### 4.3 Descriptive Analysis on Organizational Cultures

To assess which organizational culture dimension is currently being practiced at NIB International Bank. with the aim of understanding the existing organizational culture and achieving the research objective stated above, NIB employees in Addis Ababa were asked to rate how they felt about the organizational culture dimensions of Involvement, Consistency, Adaptability, and Mission on their effectiveness using a five-point Likert scale. The questionnaire data was quantitatively analyzed. The questionnaire was closed ended. It should be noted that the questions were opinion-based, with the goal of discovering respondents' views, opinions, and perceptions. It should be noted that the questions were opinion based which seek to find out views, opinions and perceptions of respondents. The standard deviation measures how concentrated the data are around the mean; the more concentrated, the smaller the standard deviation. According to Zaidaton and Bagheri (2009), a mean score of less than 3.39 was considered low, a mean score of 3.40 to 3.79 was considered moderate, and a mean score of 3.80 was considered high. A 5-point Likert scale was used to rate the various indicators whereby 1 point was accorded to 'Strongly disagree', 2 points as 'Disagree', 3-point as 'Neutral', 4-point as 'Agree', and 5- point as 'Strongly Agree'. Thus, detail of the analysis was presented as follows.

Table 5 Measurement of Mean

No	Mean Value	Description
1	Less than 3.39	Low
2	3.40 to 3.79	moderate
3	Greater than 3.8	High

A 5-point Likert scale was used to rate the various indicators whereby 1 point was accorded to 'Strongly disagree', 2 points as 'Disagree', 3-point as 'Neither agree nor disagree', 4-point as 'Agree', and 5-point as 'Strongly Agree'. Thus, detail of the analysis is presented as follows.

### 4.3.1 Involvement as organizational culture dimension

As showed in the above table 6, the involvement dimension contains three subsections: Empowerment, Team Orientation, and Capacity Development. The highest mean score was for team orientation (M=3.95, SD=0.74), followed by empowerment (M=3.91 and SD=0.73), capacity development, (M=3.66, SD=0.79). The employees at NIB feel like they are a part of a team and are very involved in their work, as evidenced by the fact that the involvement cultural dimension has a moderate mean score of 3.84 and an SD of 0.75.

Table 6 Involvement Cultural Dimension at NIB Bank

Items	N	Mean	SD
<b>Empowerment</b>			
IN NIB most employees are highly involved in their work.	165	3.99	0.837
Decisions in NIB are typically taken at the level where the best information is available.	165	3.88	0.912
Information is widely shared so that everyone can get the Information she/he need when it is needed.	165	3.87	1.028
Everyone believes that she/he can have a positive impact.	165	3.93	0.984
The planning process involves everyone to some degree.	165	3.86	0.999
Average	165	3.91	0.73
<b>Team Orientation</b>			
In NIB, cooperation across different parts of the Organization is actively encouraged.	165	3.95	0.86
In NIB, I feel like I am part of a team	165	4.18	0.90
In NIB, team work is used to get work done, rather than hierarchy.	165	3.87	1.08
In NIB, work is organized in away everyone can easily See how their work is related to the goal of the organization.	165	3.89	1.11
Teams are given primary building blocks.	165	3.85	0.97
Average	165	3.95	0.74
<b>Capability Development</b>			
Authority is delegated so that people can act on their own.	165	3.73	1.072
I believe, the capability of people is constantly improving	165	3.86	0.966
I agree that NIB is constantly working on developing its employee's capability.	165	3.55	1.191
In my opinion, capabilities of employees within NIB are Viewed as an important source of competitive advantage.	165	3.48	0.960
Average	165	3.66	0.79
Involvement Grand Mean	165	3.84	0.75

**Source:** Own survey data 2023

This result confirms that the team orientation and empowerment culture practices are well adopted in the bank. However, when it came to capability development, the respondents believed that consistent staff capacity development interventions were needed. This was indicated by the respondent with the lowest mean score. To determine the capacity development dimension of the bank respondents were asked whether authority is delegated so that people can act on their own, the capability of people is constantly improving, the bank is constantly working on developing its employees' capability and capabilities of employees within the bank are viewed as an important source of competitive advantage. The collective mean of the responses was 3.46, which is approximately neutral. Accordingly, the bank should reconsider and improve the above items one by one in order to improve its capacity development capabilities.

#### 4.3.2 Consistency as organizational culture dimension

The other organizational culture factor, consistency, was also used to evaluate the degree of the NIB's consistency in terms of three sub-items: core values, agreement, coordination, and integration. To assess employees' levels of opinion and agreement, nine questions were put out. The average mean and standard deviation rate were displayed in order to determine if respondents believed that all members of the organization share NIB's core principles. The question regarding the existence of an ethical code obtained the highest mean score (M=4.10; SD=0.92), demonstrating that respondents are aware of NIB's current core values.

Table 7 Consistency cultural dimension in NIB international bank

Item	N	Mean	SD
<b>Core Value</b>			
The core value of the bank is shared widely to everyone and accessible as needed.	165	3.81	0.979
Managers "practice what they Preach".	165	3.63	0.951
There is an ethical code that guides behavior and that tells right from wrong	165	4.10	0.921
The bank has a clear and consistent set of values that guides the way I do my work.	165	4.00	0.904
Average		3.89	0.72
<b>Agreement</b>			
To achieve common goals different departments and division of NIB are able to work together in agreement	165	3.92	0,978
There is a clear agreement regarding the proper and improper way of doing things.	165	3.79	0.972

When there is a disagreement, our staff members work very hard to find a "win-win" resolution to the opposing circumstances or conflicting issues.	165	3.43	1.00
Average		3.71	0.76
<b>Coordination and Integration</b>			
People from different parts of the organization share similar point of view.	165	3.34	0.997
Goals are well-aligned at every level.	165	3.69	.770
Average		3.51	0.70
Consistency    Grand Mean	165	3.75	0.65

**Source:** Own survey data, 2023

The overall mean score for the three-consistency culture sub dimensions' —Core Value, Agreement, Coordination, and Integration—are (M=3.89; SD=0.72, M=3.71; SD=0.76, and M=3.51; SD=0.70), respectively. Except for core value, the average score for each of the consistency sub-dimensions is inside the moderate range. While comparing their mean scores, agreement, coordination, and integration were lower than core values. This tends to suggest that the organization may have relatively moderate intentions in resolving work-related disagreements, coming to a consensus in conflicting issues or differing opinions whenever they arise. The fact that the employees believed that the goals are well-aligned at all levels and that the level of implementation in all departments and sections is generally consistent and has positive implications as well. This demonstrates the importance of maintaining a consistent organizational culture to boost employee productivity and to ensure that goals are carried out in a coordinated and integrated manner.

#### **4.3.3 Adaptability as organizational culture dimension**

According to the majority of respondents, an organization's adaptive culture is vital for employee performance, as shown by a mean of 3.86 and a standard deviation of 0.47 in the above table 4.5. Furthermore, the average mean ratings for organizational learning and customer attention were both moderate (M=3.71, SD=0.58, and (M=3.62, SD=0.81, respectively). Employee responses regarding adaptability and ease of change, giving customers top priority and support to satisfy their demands and find solutions, and learning as significant goals in daily work yielded the highest mean score. A lower mean score, on the other hand, indicates that, among other things, creativity and risk-taking behaviors were encouraged and rewarded.

Table 8 Adaptability Culture Dimension in NIB

Items	N	Mean	SD
<b>Creating Change</b>			
The bank has a very flexible and adaptable work environment.	165	3.84	0.729
Competitors and other changes in the business environment are effectively handled by NIB.	165	3.77	0.598
New and improved ways of conducting work are continuously adopted.	165	3.95	0.723
Average		3.86	0.47
<b>Customer Focus</b>			
Frequently, feedback from customers and suggestions result in adjustments.	165	3.75	0.933
Customer feedback directly influences the decision making.	165	3.39	1.039
Employees at NIB have a thorough awareness of what customers want and need.	165	3.71	1.030
Average		3.62	0.81
<b>Organizational Learning</b>			
Learning is a key goal in our day-to-day work.	165	4.28	0.613
In our organization, highest priority and support is given to Meet the needs of clients and customers and solving their problems.	165	3.80	0.938
Failure is something we view as a chance to grow and learn.	165	3.64	0.904
In NIB, innovation and risk taking are encouraged and rewarded.	165	3.09	0.977
Average		3.71	0.58
Adaptability Grand Mean	165	3.72	0.46

*Source:* Own Survey data 2023

#### 4.3.4 Mission as organizational culture dimension

The mean score for mission was (3.82). Vision and strategic direction, sub-cultural dimensions of mission, has got the highest score; (M=3.8, SD= 0.61) and (M= 3.9 SD=0.65) followed goal and objectives, (M=3.78, SD=0.52). Most of the respondents were in agreement with widely speeded company's goal and objectives and clarity of the vision and long-term strategy that motivated employees to perform well. This indicates that employees give more value and agree with the measure of mission statements.

Table 9 Mission cultural dimension at NIB

Item	N	Mean	SD
<b>Strategic Direction and Intent</b>			
There is a clear mission that gives our work meaning and direction.	165	4.0	0.627
There is a well-defined future strategy.	165	3.8	0.685
Average		3.9	0.65
<b>Goal and Objectives</b>			
The organization's goal is widely shared among NIB employees.	165	3.97	0.480
We constantly monitor our progress toward our stated objectives.	165	3.59	0.527
Average		3.78	0.52
<b>Vision</b>			
We all have a shared vision of what NIB will look like in the future.	165	3.82	0.717
NIB Vision always makes me happy and inspires me to complete my tasks.	165	3.78	0.747
Average		3.8	0.61

**Source:** Own Survey Data, 2023

#### **4.3.5 Factors affect Employee performance**

The overall mean score for employee performance is 4.01, with a standard deviation of 0.38, which is high. According to the majority of respondents, employee performance toward their tasks was generally very good. all in all, Involvement and mission were received the highest statistic mean scores (M= 3.84; SD=0.75) and (M=3.82; SD=0.59) among the cultural dimensions. Consistency (M=3.75; SD=0.65), and Adaptability (M=3.72; SD=0.46) came next. It means that Involvement and mission organizational cultures are primarily practiced in the organization. The mean score for dependent variables, as well as the mean score for employee performance, are both high.



Table 10 Employees 'Performance in NIB

Item	N	Mean	SD
If I compare where I started my professional career to where I am now, I believe I am making progress.	165	4.37	0.617
I have the required skills and motivation to perform my task.	165	4.50	0.502
I rated the quality of my work in the last performance excellent.	165	3.93	0.944
I was able to perform my work well with minimal time and effort.	165	4.41	0.615
My organization examines employee or team goals the overall goals.	165	3.47	0.838
I could handle more responsibilities in my job than that were typically assigned to me.	165	4.35	0.527
I handle tasks proficiently in all areas of my job.	165	4.30	0.487
I receive regular performance reviews.	165	3.39	1.151
I always meet my goals and complete my work to the expected standards. (Performance goal)	165	3.95	0.756
My tasks are completely clear to me.	165	3.94	0.809
I frequently expend extra effort/time in carrying out my job.	165	3.73	0.807
I help and provide my knowledge and expertise to team members or colleagues in time of need	165	4.12	0.896
I am able to make quick judgments with limited in Formation	165	3.95	0.868
I recommend others to be a part of this Bank as it is a good place to be	165	4.33	0.586
I trust the feedback I receive from my supervisor.	165	4.24	0.551
I frequently accept challenging work assignments when they are offered.	165	4.25	0.557
I'm looking for better job opportunities.	165	4.47	0.611
Before responding to customers or project activities, I give careful consideration.	165	4.15	1.022
Average		4.10	0.38

**Source:** Own Survey Data, 2023

According to mean scores of items, top five ranked factors are “the required skills and motivation to perform my task” (4.50), perform my work well with minimal time and effort (4.41), handle more responsibilities in my job than that were typically assigned to me (4.35), looking for better job opportunities (4.47) and recommend others to be a part of this Bank as it is a good place to be (4.33). Therefore these factors can be main indicators of good

employee performance in the organization than remaining factors.

#### 4.4 Correlation Analysis

Effect of Involvement, Consistency, Mission and Adaptability of cultural dimensions on employee's performance. In order to study the effect of organizational culture on employee performance, inferential statistics such as correlation and regression analysis were used, and the results are interpreted as follows. Correlation analysis is used to measure association and confirm the relationship between variables. As a result, the Person correlation coefficient was used to investigate the magnitude (intensity of relationship -1 to +1) and direction of the relationships (+ve/- ve) (Mark et. al., 2009). Similarly, the significance level, p-value, is labeled as "Sig." in the SPSS output and is used to statistically determine the significance of the results during a hypothesis test. The relationship is statistically significant when the significance value is less than 0.05 (p0.05). If the p- value is greater than 0.05, the relationship is not statistically significant.

Table 11 Correlations Result

<b>Variables</b>		<b>Involvement</b>	<b>consistency</b>	<b>Adaptability</b>	<b>Mission</b>	<b>Emp. Perf.</b>
<b>Involvement</b>	Pearson Correlation	1				
	Sig.(2-tailed)					
	N	165				
<b>Consistency</b>	Pearson Correlation	.827**	1			
	Sig.(2-tailed)	.000				
	N	165	165			
<b>Adaptability</b>	Pearson Correlation	.669**	.689**	1		
	Sig.(2-tailed)	.000	.000			
	N	165	165	165		
<b>Mission</b>	Pearson Correlation	.715**	.731**	.487**	1	
	Sig.(2-tailed)	.000	.000	.000		
	N	165	165	165	165	

<b>Employee performance</b>	Pearson Correlation	.596**	.552**	.437**	.531**	1
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\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey: 2023

## 4.5 Regression Analysis

The first step in the application of regression analysis is to check assumptions to ensure that the data is appropriate for a regression analysis.

### 4.5.1 Normality Test

Linearity describes the degree to which the change in the dependent variable is related to the change in the independent variables. Normal probability plots of the regression residual using SPSS software were used to determine whether the relationship between the independent variable organizational culture (Involvement, Consistency, Adaptability, and Mission) and the dependent variable employee performance was linear.

Normal P-P Plot of Regression Standardized Residual

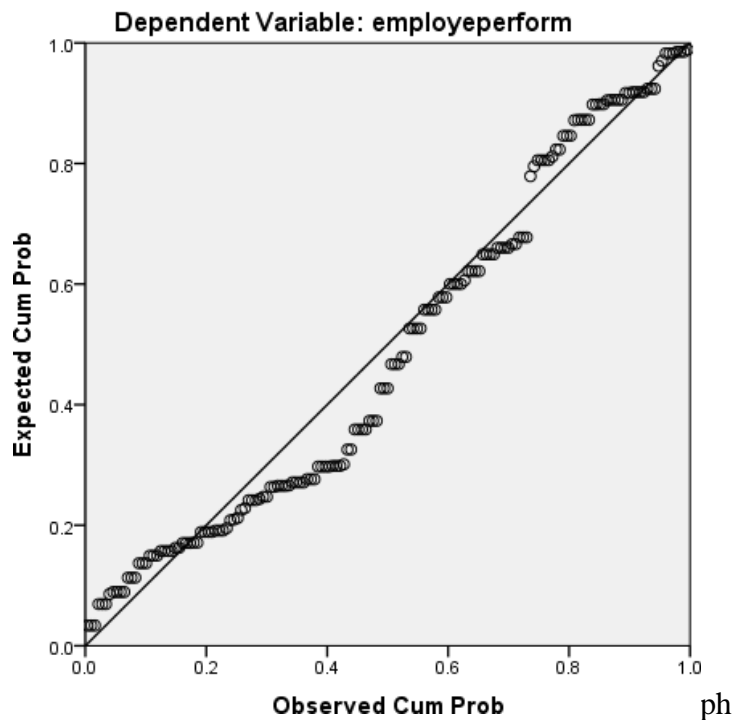


Figure 2 1p-plot graph

Source: Own survey: 2023.

On figure 4.1, the scatter plot of residuals shows no greater difference in residual spread as you look from left to right. This finding implies that the relationship we are intending to predict is linear. Similarly, the graph above illustrates the normal distribution of residuals with a mean of zero. Based on the above figure, the normality assumption is fulfilled as required. Hence, it is possible to conclude that the researcher's inference about the population is somewhat valid.

### 4.5.2 Multicollinearity

In addition to the linearity and normality tests, multiple linear regression analysis was used to examine the significant effect of the independent variables on the dependent variable. This is because the study comprises one dependent variable and two or more independent variables (Kothari 2004). Using the VIF/Variance Inflation Factor and tolerance, multicollinearity is used to demonstrate if the independent variables are not highly correlated with one another. Multicollinearity between these variables is not possible if the VIF findings are less than 10 and the tolerance value is higher than 0.1. (Hair and others, 2006).

Table 12 Multicollinearity Diagnosis

Model	Collinearity Statistics	
	Tolerance	VIF
Involvement	0.296	3.595
Consistent	0.265	3.780
Adoptability	0.494	2.025
Mission	0.525	1.539

Source: Own survey: 2023

The multicollinearity tests for each independent variable are shown in table 12 above by computing the tolerance values and Variance Inflation Factor (VIF). In this instance, all tolerance levels are higher than 0.10, and the VIF is under 10 the researcher therefore assumed that multicollinearity was not a concern in order to undertake regression analysis.

### 4.5.3 Analysis of Variance (ANOVA)

The main purpose of ANOVA test is to show if the model is significantly better at predicting the dependent variable, employee performance or using the means.

Table 13 Overall Model Fit of the Regression Model (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	9.675	4	2.413	26.827	.000 <sup>b</sup>
1 Residual	14.451	160	.090		
Total	24.146	164			

Source: Own Survey adopted using SPSS 20

a. Dependent Variable: Employees Performance

b. Predictors:(Constant), Mission, Adoptability, Involvement, Consistent

According to the ANOVA table above, the model's overall statistical acceptability or significance was demonstrated. As a result, Table 13's results showed that the independent factors strongly predicted the dependent variables, with  $F=26.827$ ,  $p$  value.000, or  $p.005$ , indicating that the model was significant. This leads to the conclusion that employees' performance was significantly influenced by the acceptance of at least one cultural dimension, such as involvement, consistency, adaptability, or mission.

#### 4.5.4 Model summary

Multiple regression models attempt to predict whether a group of variables together predict a given dependent variable. Each variable in a multiple regression model is separated from the others, allowing each to have its own coefficient that describes its relationship to the dependent variable. To determine the causal relationship between organizational culture and employee performance, multiple regression models were used.

Table 14 Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Sig. F change
1	.635 <sup>a</sup>	.402	.387	.30065	0.000

Source: Own survey adopted using SPSS 20

a. Predictors:(Constant), mission, adoptability, involvement, consistency

b. Dependent Variable: employees' performance

In the above table 14, R Square is the coefficient of determination of the two variables, which shows the percentage of total variation of the dependent variable explained by the independent variable. The adjusted R square value, that indicates how well terms fit a curve or line, and also adjusts for the number of terms in a model, indicates that adjusted  $R^2 = 0.387$  (38.7%), which clearly indicates that organization culture explains 38.7% of the variation in employee performance. The remaining 61.3% variation is explained by the stochastic error term (e), which means that 61.3% of changes in employee performance are explained by factors not explained by the model.

#### 4.5.5 Regression Coefficients T Table

The regression coefficients in table 15 show the relative influence that each independent variable has on the dependent variable and reveal the most contributing predictor/independent variable. The findings of the analyses presented above allow us to answer the second and third research questions. The standardized beta coefficient was used

to compare the strength of each predictor's/independent variable's influence on the factor employee performance.

Table 15 Coefficients

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	2.206	.246		8.917	.000
Involvement	.219	.069	.364	3.174	.002
Consistency	.048	.070	.083	.692	.490
Adaptability	.016	.072	.020	.226	.822
Mission	.214	.071	.246	3.065	.003

a. Dependent Variable: Employee performance Source: Own survey adopted from SPSS20

The above table shows that involvement and mission played a significant role in predicting employee performance ( $\beta=0.363$ ,  $P<0.05$ ) and ( $\beta=0.247$ ,  $P>0.05$ ), respectively. The significance levels of involvement, 0.002, and mission, 0.003, were both less than 0.05. Thus, involvement is the most important organizational culture dimension in predicting employee performance, with a beta value of 0.364, followed by mission, with beta value 0.246 that is statistically significant in predicting employee performance. Hence, the overall result established that the cultural dimension of involvement has a higher rate of influence than the other predictors studied in this study. Therefore, the hypotheses about mission and involvement were accepted, however the significant level of consistency is 0.490 and 0.822 for adaptability, both of which are greater than 0.05. This indicates that the variables of consistency and adaptability had a statistically insignificant relationship with employee performance. Thus, the hypotheses were rejected.

In general, the two cultural dimensions of mission and involvement have a statistically significant effect (contribution) on employee performance. However, according to this study, consistency and adaptability have a positive but statistically insignificant influential relationship (contribution) to employee performance, as explained by the significance level  $p>0.05$ . Denison (2020) states the Denison Culture Survey provides an analysis of the cultural dynamics of an organization in relation to the performance of the workforce. The model asserts that mission, adaptability, involvement and consistency can be used to describe organizational culture. These are assessed using the Denison Organizational Culture Survey to understand the NIB international Bank

employees performance. The 39-item survey assesses the beliefs and assumptions of employees in an organization to understand if employees and long-term goals are aligned. Denison (2020) used 48 items to assesses the beliefs and assumptions of employees in an organization to understand if employees and long-term goals are aligned. Statically insignificant result may come from number of items used for assessment. This may imply that other researcher to add other items while conducting assessment. However, survey result shows that both consistency and adaptability are not statically significant to express their effect on employee's performance in the organization.

#### 4.6 Hypothesis Testing

The four hypotheses that were developed earlier in chapter two were tested based on the regression coefficient data.

Table 16 Summary of Tested Hypothesis

No	Developed Hypothesis	Test Result
1	Consistency has a significant and positive impact on employees' performance	Rejected
2	Adaptability has a significant and positive impact on employees' performance.	Rejected
3	Mission has a significant and positive impact on employees' performance.	Accepted
4	Involvement has a significant and positive impact on employees' performance.	Accepted

According to Marczyk, Dematteo, and Festinger (2005) the correlations between 0.01 and 0.30 are regarded as modest, the correlations between 0.30 and 0.70 as moderate, the correlations between 0.70 and 0.90 as large, and the correlations between 0.90 and 1.00 as extremely large. From the Pearson correlation analysis, employee performance has a moderately positive correlation with the organizational culture dimensions. Involvement ( $r=0.596$ ,  $P 0.05$ ) was followed by consistency ( $r=0.552$ ,  $P 0.05$ ), mission ( $r=0.531$ ,  $P 0.05$ ), and adaptability ( $r=0.437$ ,  $P 0.05$ ). It can be inferred from this correlation output, which had a sig.(2-tailed) of  $0.000 < 0.05$ , that organizational culture dimensions and employee performance practices in NIB have a statistically significant positive relationship.

# CHAPTER FIVE

## MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents an overview of the study's findings, conclusions, recommendations, study limitations, and future research focus. Conclusions are drawn and suggestions are provided based on the major findings and results. The recommendations included steps to enhance employee performance in the studied organization and have the way for further studies.

### **5.1 Major Findings**

Following are the conclusions drawn from the data analysis using descriptive statistics, correlation, and regression:

According to the arithmetic mean values generated by the descriptive statistics, the independent variables Consistency (M=3.75; SD=0.65) and Adaptability (M=3.72; SD=0.46), fall into the moderate mean score range, but Involvement (M=3.63; SD=0.64) and Mission culture (M=4.02; SD=0.44) obtained a high mean score. This shows that the NIB International Bank engaged in organizational cultural practices, with a focus on the Involvement and mission-cultural dimension above all others. Furthermore, according to the study's participants' perceptions, involvement has a significant influence to the performance of employees.

Lowest means were shown in the responses from the cultural dimensions of engagement, adaptability, and capacity development and risk-taking behaviors. This suggests that a culture of innovation and risk-taking adaptability is required. It further implies the necessity for consistent staff capacity development interventions and encouragement/incentive programs.

The Employee Performance variable had the highest mean score (M=4.10, SD=0.38), however the response on regular performance reviews and examining targets given to employees or teams against the planned objectives had a lower mean score.

The results of the Pearson correlation analysis revealed a moderately positive correlation between organizational culture dimensions and employee performance. The involvement dimension had the highest correlation ( $r=0.596$ ;  $p < 0.01$ ) followed by the consistency dimension ( $r=0.552$ ;  $p < 0.01$ ), the mission ( $r=0.531$ ;  $p < 0.01$ ), and adaptability ( $r=0.437$ ;  $p < 0.01$ ). According to this correlation, it can be inferred that consistency, involvement, adaptability, and mission culture dimensions have statistically moderate



positive correlation with employees' performance. This finding was consistent with findings from earlier research studies (Senit L, (2017); Bethlehem H, 2017). (2017)

The Involvement dimension at NIB International Bank yielded a regression coefficient result of ( $\beta=0.364$ ,  $P<0.05$ ), indicating that a change in involvement culture practices led to a 36.4 percent increase in employee performance, indicating that the Involvement dimension has a positive and significant effect on employee performance. P less statistically significant if it is less than 0.05. The Mission's regression coefficient in the NIB was determined to be ( $\beta =0.246$ ,  $P0.05$ ), implying that changes in the Mission culture dimension are responsible for or explain 24.6 percent of the increase in employee performance. As a result, the hypothesis (H4) is accepted.

The regression coefficient result of adaptability culture dimension was ( $=.072$ ,  $P>0.01$ ) and consistency culture dimension has a Beta coefficient with ( $0.83 P>.05$ ) in this relation, consistency and adaptability culture have a positive relationship with employees' performance but insignificance coefficient result as they were above the p value of 0.05. The results of this study show that the cultural dimension of involvement affects employee performance in a statistically favorable way. This suggests that when involvement culture dimensions are applicable, employee performance increases.

## **5.2 Conclusion**

The goal of the study was to ascertain how NIB International Bank's corporate culture affected employee performance. The study has also looked at how engagement, consistency, adaptability, and mission fit into the four categories of organizational cultural dimensions and how this affect worker performance. Based on an overview of the study's findings, the researcher came to the following conclusions in order to address the research topics that this study attempted to address. All organizational culture factors—consistency, adaptability, mission, and involvement—were found to be positively correlated with worker performance. According to the descriptive analysis, among the organizational cultural practices in the chosen organization, NIB, the involvement and mission cultures dimension have been a prominent cultural practice. This finding is in accordance with studies of (Messeret N, 2018; Bethlehem H, 2017). According to the conclusions drawn from the descriptive study, employees' high levels of engagement at work gave them a sense of belonging to the team in the organization, where teamwork was strongly encouraged, and they saw performance gaps in organizational cultural practices. Especially in the provision of incentive programs, risk-taking cultures, capacity building for employees, and regular performance reviews based on employee perceptions. This

result was consistent with studies of (Omondi D, 2014).

The regression analysis also showed that the cultural factors that had a statistically significant impact on employee performance were engagement and mission culture. The beta coefficient in this study showed that cultural aspects of adaptation and consistency had a little but positive link with worker performance. This runs counter to the findings of Meseret N.'s (2018) study, which showed that employee performance is positively correlated and significantly impacted by the subculture aspects of consistency and adaptability. Additionally, a number of research findings on organizational cultural practices that vary from one organization to another were presented. For instance, the cultural aspects of mission and adaptability have a statistically significant effect on ECA performance practice, whereas engagement has an adverse effect Senit L. (2017). The study's results, according to (Mousavi, Hosseini, and Hassanpour 2015), showed that only engagement and adaptability have a direct impact on bank performance, whilst the other factors simply have an indirect effect. Contrary to earlier research, the study's conclusions have significant ramifications for how organizational culture and employee performance practices relate. (Denison, 1990; Kotter and Heskett, 1992).

In general, organizational cultural dimensions such as involvement, consistency, adaptability, and mission have demonstrated a positive relationship with organizational culture. Additionally, as evidenced by the earlier studies, the impact of each organizational culture practice component varies from one organization to the next. Understanding the organizational culture and the many components of employee performance is crucial (Ratnawat, 2014). Numerous cultural characteristics and employee performance have not always been correlated, according to studies (Denison, 1990; Sorenson, 2002). Studies have also shown that there is no long-term association between numerous cultural characteristics and employee performance (Denison, 1990 & Sorenson, 2002). The statistically substantial effect of involvement and mission to employees' performance leads to the conclusion that organizational culture is implemented within the organization and is thought to be crucial in raising the level of employee performance, but there may be other factors this study did not cover.

### **5.3 Recommendations**

Based on the study's findings, some important recommendations were made in this section.

The results of this study show that the cultural dimensions of involvement and mission have an important effect on employee performance. To increase employee's involvement team works, increase accessibility of information and give accurate decisions based on data, works has to conduct as everyone believes that she/he can have a positive impact in the organization by letting them have role in planning process, organize works in a way everyone can easily See how their work is related to the goal of the organization

In order to improve employee performance, NIB shall maintain good cultural practices.by consistently communicating its mission and vision to newly hired employees. Managers shall "practice what they Preach", ethical code that helps to have clear agreement regarding the proper and improper way of doing things, align Goals at every level.

In order to raise employee confidence and make the organization more adaptable to change, NIB shall encourage and reward innovation and risk-taking methods. It is since organizations are required to comprehend and respond to changes in the competitive environment. Customers feedback shall to be collected using different mechanisms and work on findings.

The researcher recommended that future researchers broaden their perspectives on the topic by basing their studies on performance appraisal results, such as workplace environment, training and development, employee engagement, competence, recognition, workload, and leadership, rather than relying solely on the perceptions and opinions of employees. NIB shall facilitate awareness creation programs regarding quality service for customers, as well as strategic direction, Goal, Objectives, and Vision of the organization.

To examine how organizational culture affects employee performance, a variety of models and frameworks can be employed. In this research project, Denison's Model was employed to help the bank define its culture by identifying the actions that were influenced by each trait's underlying assumptions and beliefs. A different organizational culture model, such as Hofstede's cultural model theory, the Edger Schein Model, or the O'Reilly, Chatman, and Caldwell model, can be used in addition to the aforementioned framework to conduct additional research on the same organization. Other researcher shall to conduct further research using these models and using more than 39 items of factors to have statically significant result.

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# ANNEX.1

Addis Ababa University

College of Business and Economics School of Commerce

Questionnaire to be filled by the employees of nib international bank

## Dear Respondents,

My name is Mussie Abebaw, I am currently pursuing my Master of Project management at Addis Ababa university. As partial fulfillment towards the completion of my postgraduate degree, I am undertaking research titled “Effect of organizational culture on Employee performance”. Hence, I respectfully request you to complete this questionnaire while assuring you that the information you submit will be kept anonymous and used solely for the purposes of this academic study. I'd also like to remind you that your candid and unbiased input will make this study a huge success.

**Note:** For any clarification or question please don't hesitate to contact the researcher through: [mussie1080@gmail.com](mailto:mussie1080@gmail.com) Mobile phone: 0904108010.

### General Directions

- 1.No need to write your name.
- 2.Your response confidentiality is maintained.
- 3.At the beginning of each section of the questionnaire, instructions are given.

## PART I: GENERAL INFORMATION

Please respond to each item by putting a tick mark “ (√)” in the box & fill in the blank on the number which best reflects your own perception.

1.Gender

Male  Female

2.Age

17-24  5-32  33-40  41-48  Above 48

Educational background

Primary  Secondary  Diploma/TVET  Degree  Masters

Marital Status

Single  Married  Divorce  Widow

Total work experience in the current organization

1-4  5-8  9-12  13-16  17-20  Above 21



## Part II: organizational culture of nib international bank

Listed below are a series of statements that are designed to measure the organizational culture characteristics of your organizations. Please indicate the level of your agreement with each of the following statements by circling on one of the five alternatives. Responses are measured on 5- point scales with the following verbal anchors: (Please click on the check box to put mark that best describes your view)

1= strongly disagree 2= Disagree 3=Neutral 4= Agree 5= strongly agree

### I. Involvement

#### Empowerment

1. IN NIB most employees are highly involved in their work	1	2	3	4	5
2. Decisions in NIB are typically taken at the level where the best information is available.	1	2	3	4	5
3. Information is widely shared so that everyone can get the information she/he need when it is needed.	1	2	3	4	5
4. Everyone believes that she/he can have a positive impact.	1	2	3	4	5
5.The planning process involves everyone to some degree.	1	2	3	4	5

#### Team Orientation

6.InNIB, cooperation across different parts of the Organization is actively encouraged.	1	2	3	4	5
7. In NIB, I feel like I am part of a team	1	2	3	4	5
8. In NIB, team work is used to get work done, rather than hierarchy.	1	2	3	4	5
9.In NIB, work is organized in a way every onecaneasily See how their work is related to the goal of the organization.	1	2	3	4	5
10.Teams are given primary building blocks.	1	2	3	4	5

### **Capability Development**

11. Authority is delegated so that people can act on their own.	1	2	3	4	5
12. I believe, the capability of people is constantly improving	1	2	3	4	5
13. I agree that NIB is constantly working on developing its employee's capability.	1	2	3	4	5
14. In my opinion, capabilities of employees within NIB are viewed as an important source of competitive advantage	1	2	3	4	5

### **II. CONSISTENCY**

#### **Core value**

15. The core value of the bank is shared widely to everyone and accessible as needed.	1	2	3	4	5
16. Managers "practice what they Preach".	1	2	3	4	5

17. There is an ethical code that guides behavior and that tells right from wrong	1	2	3	4	5
18. The bank has a clear and consistent set of values that guides the way I do my work.	1	2	3	4	5

#### **Agreement**

19. To achieve common goals different departments and division of NIB are able to work together in agreement	1	2	3	4	5
20. There is a clear agreement regarding the proper and improper way of doing things.	1	2	3	4	5
21. When there is a disagreement, our staff members work very hard to find a "win-win" resolution to the opposing circumstances or conflicting issues.	1	2	3	4	5

#### **Coordination and Integration**

22. People from different parts of the organization share similar point of view.	1	2	3	4	5
23. Goals are well-aligned at every level.	1	2	3	4	5

### **III. ADAPTABILITY**

#### **Creating Changes**

24. The bank has a very flexible and adaptable work environment.	1	2	3	4	5
25. Competitors and other changes in the business environment are effectively handled by NIB.	1	2	3	4	5
26. New and improved ways of conducting work are continuously adopted.	1	2	3	4	5

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**Customer Focus**

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27. Frequently, feedback from customers and suggestions result in adjustments. 1 2 3 4 5

28. Customer feedback directly influences the decision making. 1 2 3 4 5

29. Employees at NIB have a thorough awareness of what customers want and need. 1 2 3 4 5

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**Organizational Learning**

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30. Learning is a key goal in our day-to-day work. 1 2 3 4 5

31. In our organization, highest priority and support is given to meet the needs of clients and customers and solving their problems. 1 2 3 4 5

32. Failure is something we view as a chance to grow and learn. 1 2 3 4 5

33. In NIB, innovation and risk taking are encouraged and rewarded. 1 2 3 4 5

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**IV.MISSION**

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**Strategic Direction and Intent**

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34. The core value of the bank is shared widely to everyone and accessible as needed. 1 2 3 4 5

35. There is a clear mission that gives our work meaning and direction. 1 2 3 4 5

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**Goal and Objectives**

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36. The organization's goal is widely shared among NIB employees. 1 2 3 4 5

37. We constantly monitor our progress toward our stated objectives. 1 2 3 4 5

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**Vision**

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38. We all have a shared vision of what NIB will look like in the future.

39. NIB Vision always makes me happy and inspires me to complete my tasks. 1 2 3 4 5

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## ANNEX II.

### Section iii: employee job performance measurement

Below are questionnaires which are designed to assess your perception about the level of your performance accomplishment within your organization. Please indicate the level of your agreement using the same five alternatives as above.

40. If I compare where I started my professional career to where I am now, I believe I am making progress.	1	2	3	4	5
41. I have the required skills and motivation to perform my task.	1	2	3	4	5
42. I rated the quality of my work in the last performance excellent.	1	2	3	4	5
43. I was able to perform my work well with minimal time and effort.	1	2	3	4	5
44. My organization examines employee or team goals the overall goals.	1	2	3	4	5
45. I could handle more responsibilities in my job than that were typically assigned to me.	1	2	3	4	5
46. I handle tasks proficiently in all areas of my job.	1	2	3	4	5
47. I receive regular performance reviews.	1	2	3	4	5
48. I always meet my goals and complete my work to the expected standards. (Performance goal)	1	2	3	4	5
49. My tasks are completely clear to me.	1	2	3	4	5
50. I frequently expend extra effort/time in carrying out my job.	1	2	3	4	5
51. I help and provide my knowledge and expertise to my team members or colleagues in time of need	1	2	3	4	5
52. I am able to make quick judgments with limited information	1	2	3	4	5
53. I recommend others to be a part of this Bank as it is a good place to Be	1	2	3	4	5
54. I trust the feedback I receive from my supervisor.	1	2	3	4	5
55. I frequently accept challenging work tasks when offered.	1	2	3	4	5
56. I'm looking for better job opportunities.	1	2	3	4	5
57. Before responding to customers or project activities, I give careful Consideration.	1	2	3	4	5

Thank you very much for your time and willingness!