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Addis Ababa University

College of Business and Economics

Department of Management

**The Effect of Organizational Culture on Employee Commitment
(The Case of Commercial Bank of Ethiopia)**

By: Abraham Warga

JUN, 2019

Addis Ababa, Ethiopia

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of Commercial Bank of Ethiopia)**

**A Thesis Submitted to the Addis Ababa University in Partial Fulfillment for
the Award of Master of Science in Management**

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Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MANAGEMENT (MSC) PROGRAM

*THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEES’
COMMITMENT THE CASE OF COMMERCIAL BANK OF
ETHIOPIA*

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Declaration

I, Abraham Warga, announce this research paper entitled “**The effect of organizational culture on employees commitment: the case of Commercial Bank of Ethiopia**” is original research work of mine that has not been produced by others in any other institutions or universities for any other requirements in any form and is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged.

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Letter of Certification

This is to certify that Abraham Warga has carried out his thesis work on the topic entitled **“The effect of organizational culture on employees commitment: the case of Commercial Bank of Ethiopia”** under my guidance and supervision. Accordingly, I here assure that his work is appropriate and standard enough to be submitted for the award of Master of Science in Management.

Jemal Mohammed (Asst.Prof.)

Research advisor

Signature

Date

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Acronyms

ANOVA - Analysis of Variance

CBE -Commercial Bank of Ethiopia

OC -Organization culture

EC - Employees commitment

SPSS - Statistical Package for Social Sciences

NBE - National Bank of Ethiopia

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ABSTRACT

The study has sought the effects of organizational culture on employees' commitment in Commercial Bank of Ethiopia. The specific objectives of the study were; to determine the relationship between involvement culture, consistency culture, adaptability culture and the relationship between mission culture and employees commitment in commercial bank of Ethiopia. The study used quantitative research method and explanatory research design to objectively answer the proposed research questions. Cluster sampling technique was used to select the four districts from the total of 15 districts and also proportionate stratified sampling technique was adopted to treat the 368 participants; and out of those, 350 has responded. Descriptive analysis, factor analysis, Pearson correlation, analysis of variance (ANOVA) and regression were carried out to analyze the data using SPSS 20. Regression analysis was used to assess the effects of organizational culture on the employees' commitment. The study shows that there is positive relationship between organizational culture and employees' commitment. Based on the findings, the study recommends that CBE should empower employees and reinforce team orientations, embrace integration, coordination, organizational learning, agreement and core values and they should create competence development to promote employees commitment.

Keywords: Involvement culture, Consistency culture, Adaptability culture, Mission culture and Employees commitment.

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study, background of the organization, statement of problem, objectives of the study, research questions, and significance of the study, scope of the study, organization of the study and definition of terms.

1.1 Background of the study

The rapid development of science and technology at this time has brought far-reaching implications for all aspects of human life, including the life of the organization. The existence of an organization in the age of globalization should be regarded as living beings who want to grow and develop in accordance with the demands of a changing environment. An organization as a social unit brings together people of diverse backgrounds to work towards a common defined goal. People come into the organization with different values, beliefs and way of doing things. Hofstede et al, (2010) affirms that every person carries within him/herself a way by which they feel, act and think that are learnt during the person's life. These people come into an organization that has its own set of values, beliefs and way of doing things. In order to achieve the common goal the organization must therefore define a common culture and endeavor to inculcate it to its constituents – its employees. Culture is said to reside in the seen and existing practices and in the way people identify that which goes on within their organization (Hofstede, Hofstede & Minkov, 2010). Organizational culture as a more or less the shared way of being, thinking and acting in a collective of coordinated people with reciprocal expectations; it is shaped, disseminated, learned and changed over time, providing some predictability in every organization (Serpa S.2016).

Organizational culture as the values, principles, traditions and ways of working shared by members of the organization and affect the way they act. Organizational commitment has an important role of employee performance. The commitment can be realized if the individual in the organization, running their rights and obligations according to their duties and functions and functions within the organization, because the achievement of organizational goals is the

work of all members of the organization that are collective Vipraprastha, Sudja, & Yuesti (2018).

Hosseini (2014) sees that culture represents the identity of organization and works as personality in human interaction. The culture must not only be extensively shared, but it must also have unique qualities, which cannot be imitated (Awadh et al, 2013).

Organizational culture is a powerful force that works to clarify important matters and also to coordinate employee efforts thus lowering costs and eliminating inefficiencies due to close and immediate supervision. A good organizational culture will instill brawny employee behavior that is in turn conducive for good policy and strategy implementation. (M. Kising'u & Mwashighadi, 2016). Organizational cultures are extremely important to creating a cohesive and efficient workforce that is working toward a common corporate goal (Guillaume and Austin, 2016). Uha (2013) states that, organizational culture is values that hold true of human resources in carrying out the obligations and behavior in the organization.

Organizational commitment has been shown to be a predictor of increased effort, motivation, higher job satisfaction, decreased absenteeism, lower turnover, and higher retention (Nagele and Neuenschwander, 2014; Meyer et al., 2012). Mousa and Alas (2016) maintain that a full understanding of the concept of "organizational commitment" and its consequences can explain employees' irrationality, irresponsibility, inefficiency and misuse of power. Farid et al (2014), 'as proved by valid evidence, employees who are truly empowered and work within a participatory, problem-solving and intimate framework are more committed to their firm and union'. Organizational commitment is related to both the attitudes of employees towards an organization and certain behaviors exhibited by employees in that organization. Employees who have a strong faith in the values and beliefs of an organization and readily accept its goals and objectives and are ready to exert extra effort for or on behalf of the organization are considered to have a very high level of organizational commitment (Dhar, 2015; Ipek, 2010). Allen and Meyer (2013) define commitment as an emotional attachment to the organization of work in which an employee will recognize and enjoy membership in an organization.

The Ethiopian banking sector is currently comprised of a central bank (The National Bank of Ethiopia or NBE), two government owned banks and sixteen private banks. In September 2011, NBE issued a regulation that increased the minimum paid up capital required to establish a new bank from 75 million Birr (\$3.4 million) to 500 million Birr (\$22 million), which effectively stopped the entry of most new banks to the market. NBE further increased the minimum paid up capital for banks to 2 Billion Birr (\$90 million) and advised all the sixteen currently operating private banks to increase their paid up capital to that amount by 2020. Foreign banks are not permitted to provide financial services in Ethiopia and the market is closed to foreign retail banks. Currently, Ethiopia has allowed some foreign banks to open liaison offices in Addis, to facilitate credit to companies from their countries of origins. Chinese, German, Kenyan, Turkish, and South African banks have opened liaison offices in Ethiopia. Based on the most recently data, Commercial Bank of Ethiopia (CBE) mobilizes more than 60 percent of total bank deposits, bank loans and foreign exchange. The state-owned Commercial Bank of Ethiopia (CBE) dominates the market in terms of assets, deposits, bank branches, and total banking workforce. In 2016, CBE merged with another state owned bank, the Construction and Business Bank. (<http://www.combanketh.et>)

1.2 Background of the organization

CBE is the leading bank in Ethiopia, established in 1942 and Pioneer to introduce modern banking to the country. It has 15 districts and 1160 branches stretched across the country and out of those 255 branches are located in Addis Ababa city as of May 16, 2017. Beside it has opened four branches in South Sudan and has been in the business since June 2009 and the leading African bank with assets of 485.7 billion birr as on June 30th 2017. It plays a catalytic role in the economic progress & development of the country. Moreover, the first bank in Ethiopia to introduce ATM service for local users and Pioneer to introduce Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer agents. Furthermore, it has strong correspondent relationship with more than 50 renowned foreign banks and a SWIFT bilateral arrangement with more than 700 others banks across the world. CBE combines a wide capital base with more than 32,071 talented and committed employees and currently it has more than 13.3 million account holders. Its vision is to become a world-class commercial bank by the year 2025 and Its vision is to become a

world-class commercial bank by the year 2025 and its mission is committed to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state of the art technology. (<http://www.combanketh.et/Home.aspx>)

1.3. Statement of the problem

Some results of previous studies found that there was a significant relationship between all the components of organizational culture including adaptability, involvement, consistency, mission and organizational commitment (Saadat, Marjani & Momeni 2012; Ghorbanhosseini 2013 and Nikpour A. 2017),

Mousa M. (2017) this study has found that involvement, consistency, adaptability, and mission sharing have a strong effect on organizational commitment approaches (affective commitment, continuance commitment, & normative commitment). Mersen B. (2016) this study was initiated to investigate the effect of the selected organizational culture traits on employee commitment in Ethiopian Airlines Company. The study found that adaptability is the most contributing organizational culture traits in the prediction of employee commitment. The other three organizational culture traits; mission, involvement and consistency are ranked depending on their contribution from most to the least. The findings concluded that organizational culture is important in improving the level of employee commitment which is asserted by the positive contribution of adaptability, mission and involvement practice to employee commitment. However, consistency has no significant contribution to employee commitment.

Mashithoh & Sunarsih (2016) Organizational culture has a positive and significant effect on the organizational commitment of the staff of Universitas Terbuka. This finding demonstrates that the stronger the organizational culture adaptability, the higher the organizational commitment. The determination coefficient (Adjusted R Square) was 37.2%. It demonstrates that the organizational culture adaptability variable contributes 37.2% of the organizational commitment variable. The remaining 62.8% demonstrates the fact that changes in organizational commitment at Universitas Terbuka are affected by other factors besides

organizational culture such as job satisfaction, leadership style, motivation, and Organizational Citizenship Behavior (OCB).

Masouleh & Allahyari (2017) finding to these results from organizational culture and commitment as well as the correlation between these two variables, it can be said that the establishment of the favorable organizational culture in the research population and the resulting increase in their commitment requires that the authorities and managers use new features of the organizational culture and improve it among their people. Based on the results, the Islamic Azad University of Rasht Branch possesses an average organizational culture and needs to improve. Adoptability factor has the highest factor loading and an important role in organizational culture improvement. Organizational commitment in the university earned a more than average scale and has an acceptable level. Affective commitment has the highest factor loading.

In Ethiopia, present day Banking Industry is increasing in number and the competition among banks is getting a great attention. Thus the workforce and human resource systems to produce corporate- level competencies that create sustainable competitive advantage are the key factors of winning the competition. They need to have employees who are excited about their work and strive to take their organization to greater heights. Accordingly to Astri (2012) as well suggest that organizational commitment is very important for managers in organization either government organization or private sector for their success. In addition, the organizational culture related with employees' commitment toward their organization and nature of influence that organizational culture has upon organizational commitment of employees within organization and is better to be clearly studied so that it was as encourage the organizational commitments. Specific empirical study of organizational culture on employees' commitment in the banking industry, particularly in Ethiopia is somehow limited and the banking sector was purposively selected to undertake this study

The interest in this topic is due to the fact the employee commitment is an important elements which is compulsory for organizational success. When employee is strongly committed with an organization then there are fewer chances for disloyalty with company. Employee empowerment, job satisfaction, performance appraisal and employee retention formulates a

strong foundation for organizational commitment. Because of the importance of employee commitment several research studies has been conducted to check out the importance of relationship between organizational culture and employee commitment. (George, Allen, Mackenzie 2003).

Too often organizational culture of most organizations is faced with some basic problems. This are the existence of culture that doesn't match with the changed strategies and environment of the organization, weakness of this type of culture to make employees effectively committed to their organization and the difficulty to change these strongly held cultures by the management and old member of the organization. In many cases, critical appraisal of organizational culture will disclose serious difficulties. So, a study has to be conducted in order to probe this problem.

This study investigated involvement, consistency, adaptability and mission as sub constructs under organizational culture given that no study has linked them to employees commitment in Commercial bank of Ethiopia. The research conducted by Denison is the most extensive quantitative study on organizational culture and employees' commitment. Denison's organizational culture model in comparison with other models has such benefits as: it is based on group behavior rather than personality assessment, it measures to the lowest levels of the organizations, it applies at all levels of an organization. Although a significant amount of research has been conducted on the Denison Organizational Culture Survey elsewhere, there have been no studies of this nature in CBE. Therefore there is need to address organizational culture and its effect in employees commitment in commercial bank of Ethiopia as the knowledge gap necessitating this research study.

This study attempted to answer the following basic questions

- What is the effect of organization culture traits involvement, consistency, mission and adaptability on employees' commitment in CBE?
- To what extent the relationship between organizational culture and employee commitment in Commercial Bank of Ethiopia?

1.4. Objective of the study

1.4.1. General Objective of the study

The core objective of the study was to investigate the effect of organizational culture on the commitment of employees of Commercial Bank of Ethiopia.

In doing so the research has the following Specific objectives:

- Assess the relationship between involvement culture and employees commitment.
- Determine the relationship between consistency culture and employees commitment.
- Assess the relationship between mission culture and employees commitment.
- Analyze the relationship between adaptability and employees commitment

1.5. Significance of the study

It will help the Management of Commercial Bank of Ethiopia to know how effective its organizational culture is and how far its employees are committed to their job

It may create awareness among employees of Commercial Bank of Ethiopia about the need of effective and strong organization culture.

It may also provide a support to other researchers who are interested to conduct further study on similar areas.

It will enable the researcher to acquire good practice and to fulfill preconditions for graduation.

1.6. Delimitations/scope/ of the study

This study was focused on the effect of organizational culture on employee's commitment in the Commercial Bank of Ethiopia. CBE is one of the major public banks in Ethiopia having over 1160 branches throughout the country. This study was estimated only the commitment of staffs employed in the branches found in North, south, East and West Addis Ababa district. In

addition, this study was a cross-sectional study in which data was collected at one point in time. As a methodological scope, the study used only quantitative research design. The rationale behind using quantitative approach is the nature of the research questions and the most appropriate method to address the research questions.

1.7 Limitation of the Study

The adequacy of the output of this study was depending on the actual data acquired from the selected representative samples. This intimate that, the finding and analysis of this paper was depending up on the quality of their response. So that, lack of willingness, for various reasons like suspect of miss use of the organization confidential information for nonacademic purpose was limits the reliability of the research paper to achieve its objectives. The same as, lack of pervious similar researches in Ethiopian case, and limited resource may affect the qualities of the study output. Utmost, the researcher as a member of employee in CBE, his personal perception, feeling for the organization, leads to personal bias and may affect the research. But the researcher, as much as possible, tries to enhance these biases in order to come up with sound conclusion.

1.8 Organization of the Paper

This study organized in to five chapters. The first chapter is the introduction which includes background of the study, statement of the problem, objective of the study, research question, significance of the study, scope of the research, limitation of the study and hypothesis of the study. The second chapter is about literature review. The third chapter is the methodology of the research. The fourth chapter is research findings and results and the last chapter goes to the conclusion and recommendation.

1.9 Definition of terms

Organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations (Robbins and Judge, 2013).

Involvement - A sense of responsibility of an employee towards his work (Denison, 1990).

Consistency - Shared system of beliefs, values, and symbols, widely understood by an organization's members, which has a positive impact on their ability to reach consensus and carryout coordinated actions (Denison, 1990).

Mission - It expresses how the organization will look into the future; it focuses activities by entire element channels to achieve organizational goals (Denison, 1990).

Adaptability - A system of norms and beliefs that can support the capacity of an organization to receive, interpret and translate signals from its environment into internal behavioral changes that increase its chances for survival, growth, and development (Denison, 1990).

Commitment – is an intention to persist in a course of action (Meyer and Allen, 2004).

Organizational Commitment - Organizational commitment is a psychological state that binds an employee to an organization, thereby reducing the incidence of turnover and the constructs are Continuance, Normative and Affective organizational commitment (Allen and Meyer, 1991).

Affective Organizational Commitment - Affective organizational commitment refers to an employee's desire to remain with the organization because they want to do so (Allen and Meyer, 1991).

Normative Organizational Commitment -Normative organizational commitment refers to an employee's desire to stay with the organization based on a sense of duty, loyalty, or moral obligation (Allen and Meyer, 1991).

Continuance Organizational Commitment -Continuance organizational commitment is described as a need to remain in the organization based on the costs associated with leaving (Allen and Meyer, 1991).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The main concern of this chapter is to discuss the major theoretical and empirical concepts that helped shape both organizational culture and employee commitment.

2.1. Conceptualization of Organization Culture

According to Nongo (2012) asserted that culture is critical to understanding any society or group. Through the process of socialization individuals bring into groups. Groups have the capacity to shape, influence, and determine group members 'outlooks, viewpoints, outputs, attitudes and indeed behaviors. Nelson and Quick (2013) describe organizational cultures as "a pattern of basic assumptions that are considered valid and that are taught to new members as a way to perceive, think and feel in the organization". Organizational cultures are a vital part of any company's environment and provide employees with the necessary tools to integrate themselves into the overall organizational dynamic; however, most organizational cultures are plagued with dysfunctional dynamics that have stemmed from a dysfunctional personality of a key leader in their environment. Organizational culture is well regarded as one of the unique characteristics that distinguish successful organizations from others (Berson, Oreg, & Dvir, 2008). Therefore, understanding the concept of organizational culture is a crucial task for leaders because of its great impact on different aspects of organizational behavior. Ignoring organizational culture in plans for any changes within the organization would yield unforeseen and negative consequences (Cameron & Quinn, 2011).

Organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations (Robbins and Judge, 2013). Organizational culture performs four functions: gives members a sense of identity, increases their commitment reinforces organizational values and serves as a control mechanism for shaping behavior. It is important to note that leaders shape and reinforce culture by what they pay attention to, how they behave, how they allocate rewards and how they hire and fire individuals (Nelson & Quick, (2011),

In spite of the fact that organizations have always had cultures, managing these cultures has been a challenging and ambiguous task for business leaders (Druckman, Singer, &Cott, 1997). Cameron and Quinn (2011) argue that organizational culture has a strong association with the organization's sense of uniqueness, its values, mission, aims, goals and ways of building shared values. Also, organizational culture represents a system of intangible and unquestionable beliefs that justify how organizations behave. These beliefs, however, are taken for granted and are rarely stated or discussed openly (Schein, 1992).

Jahmurataj (2015), organizational culture in the enterprise is very important in managing of the quality as a complete system of norms, values, performance, socializing and elements that determine a characterized system at the enterprise. Certain types of cultures are more ready and inclined for change that is requested by time. Even though request to describe a certain culture or to identify possible fields that are connected with initiatives of change. Istoriti et al (2017) Businesses can seek to create a harmonious organizational culture. According to Robbins and Judge (2013) culture is transmitted to workers in a number of forms such as stories, rituals, symbols and languages.

Robbins and Judge (2013), has identified the three ways that culture can be created. First, founders hire and keep only employees who think and feel the same way they do. Second, they indoctrinate and socialize these employees to their way of thinking and feeling. And finally, the founders "own behavior encourages employees to identify with the man internalize their beliefs, values and assumptions. Moreover, Robbins and Judge (2013), Kondalrk, (2007) incorporate topics on how organization sustain and transmit organizational culture. Thus, selection practices, the actions of top management and socialization methods are the three forces that play important part in sustaining a culture. The authors also states that many organizations use stories, rituals, material symbols and language as means to transmit culture to employees.

2.2 The Development concept of organizational culture

In 1951, Jaques described an organizational culture in a business context that contained cultural issues in the manufacturing industry (as cited in Childress, 2013). In the early 1980s, organizational culture theory included organizational behavior particularly with social science disciplines like sociology, anthropology, and social psychology (Denison, 1990). Nwibere (2013) confirmed that a lack of theoretical support to advance the manager's knowledge existed in the area of organizational culture effectiveness.

Numerous studies in a wide array of contexts have established the importance of organizational culture in determining success or failure of firms (Naqshbandi, et al., 2015b). Muafi (2009) has defined organizational culture as values, ideology, reputation, philosophy, symbols, customs, and the norms affecting organizational performance. In this context, corporate culture can be spread among employees in different forms, including ceremonies, stories, physical elements that are symbolic, and language, which are the most effective elements (Robbins & Judge, 2013). These elements will be briefly discussed. Stories are short narratives shared among employees and adapted from real events to inform others, especially new employees, about the organization. Physical symbols are the element that evokes something that distinguishes one organization from another. Physical symbols can be stronger than other elements, especially because they attract attention to the obvious theme. Therefore, this physical element symbolizes the cultural values of the organization, such as open communication, cooperation, creativity and equality (Daft, 2015).

Ceremonies cover some stereotypical activities that express and strengthen the organization's key values. For example, organizations such as Wal-Mart, IBM, and Price water house Cooper use corporate songs as a ceremonial element of organizational culture. Finally, language represents an element that can help employees to integrate with organizational culture, acknowledge their acceptance of the culture, and protect it (Robbins & Judge, 2014).

Boškovic et al. (2014) Organizational culture is a social phenomenon which appears and changes through interaction of employees both mutually and with the environment. Organizational culture appears in the process of collective problem solving with which

members of an organization are faced. Following a long-term repetition of successful solutions, these solutions are transformed into rules (norms and values), and then into assumptions and beliefs. The occurrence and development of organizational culture demand time and we can say that it changes by following the life cycle of an organization. Management, national culture and other employees affect the formation of a certain organizational culture. Organization management should develop organizational culture which the clients of the company will always be aware of.

2.3 Dimensions (Characteristics) of organization culture

Each of these characteristics exists on a continuum from low to high. Appraising the organization on them, then, gives a composite picture of its culture and a basis for the shared understanding members have about the organization, how things are done in it, and the way they are supposed to behave (Robbins & Judge, 2013). Innovation and risk taking the degrees to which employees are encouraged to be innovative and take risks. Attention to detail the degrees to which employees are expected to exhibit precision, analysis, and attention to detail. Outcome orientation:-the degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve them. People orientation the degree to which management decisions take into consideration the effect of outcomes on people within the organization. Team orientation:-the degree to which work activities are organized around teams rather than individuals. Aggressiveness the degrees to which people are aggressive and competitive rather than easygoing. Stability the degree to which organizational activities emphasize maintaining the status quo in contrast to growth.

2.4 Models of Organizational Culture

Different models by scholars have been develop until this time express the organization culture and some researchers describe different indicators and dimensions of organizational cultures. The prominent scholars exploring organizations culture are as follow:

2.4.1 Charles Handy's model of Organizational Culture

According to Charles Handy's model, there are four types of culture which the organizations follow:

Power: - There are some organizations where the power remains in the hands of only few people and only they are authorized to take decisions. They are the ones who enjoy special privileges at the workplace. They are the most important people at the workplace and are the major decision makers. These individuals further delegate responsibilities to the other employees. In such a culture the subordinates have no option but to strictly follow their superior's instructions. The employees do not have the liberty to express their views or share their ideas on an open forum and have to follow what their superior says. The managers in such a type of culture sometimes can be partial to someone or the other leading to major unrest among others.

Task Culture:-Organizations where teams are formed to achieve the targets or solve critical problems follow the task culture. In such organizations individuals with common interests and specializations come together to form a team. There are generally four to five members in each team. In such a culture every team member has to contribute equally and accomplish tasks in the most innovative way.

Person Culture:-There are certain organizations where the employees feel that they are more important than their organization. Such organizations follow a culture known as person culture. In a person culture, individuals are more concerned about their own self rather than the organization. The organization in such a culture takes a back seat and eventually suffers. Employees just come to the office for the sake of money and never get attached to it. They are seldom loyal towards the management and never decide in favor of the organization. One should always remember that organization comes first and everything else later.

Role culture:-is a culture where every employee is delegated roles and responsibilities according to his specialization, educational qualification and interest to extract the best out of him. In such a culture employees decide what best they can do and willingly accept the challenge. Every individual is accountable for something or the other and has to take

ownership of the work assigned to him. Power comes with responsibility in such a work culture. Source: <http://www.managementstudyguide.com/charles-handy-model.htm>

2.4.2 Edgar Schein model of Organizational Culture

According to Edgar Schein - Organizations do not adopt a culture in a single day, instead it is formed in due course of time as the employees go through various changes, adapt to the external environment and solve problems. They gain from their past experiences and start practicing it every day thus forming the culture of the workplace. The new employees also strive hard to adjust to the new culture and enjoy a stress free life. Schein believed that there are three levels in an organization culture.

Artefacts:-The first level is the characteristics of the organization which can be easily viewed, heard and felt by individuals collectively known as artefacts. The dress code of the employees, office furniture, facilities, behaviour of the employees, mission and vision of the organization all come under artefacts and go a long way in deciding the culture of the workplace.

Values:-The next level according to Schein which constitute the organization culture is the values of the employees. The values of the individuals working in the organization play an important role in deciding the organization culture. The thought process and attitude of employees have deep impact on the culture of any particular organization. What people actually think matters a lot for the organization? The mind-set of the individual associated with any particular organization influences the culture of the workplace.

Assumed Values:-The third level is the assumed values of the employees which can't be measured but do make a difference to the culture of the organization. There are certain beliefs and facts which stay hidden but do affect the culture of the organization. The inner aspects of human nature come under the third level of organization culture. Organizations where female workers dominate their male counterparts do not believe in late sittings as females are not very comfortable with such kind of culture. Male employees on the other hand would be more aggressive and would not have any problems with late sittings. The organizations follow

certain practices which are not discussed often but understood on their own. Such rules form the third level of the organization culture.

Source: <http://www.managementstudyguide.com/edgar-schein-model.htm>

2.4.3 Robert A Cooke model of Organizational Culture

Every employee has a way of behaving at the workplace which he feels is the correct way and would help him survive in the organization for a longer duration. Such perceptions of employees form the culture of the organization. According to Robert A Cooke, the culture of an organization is the way employees behave at the workplace to ensure stable future and growth.

Constructive Culture:-There are certain organizations which encourage healthy interaction amongst the employees. The individuals have the liberty to share their ideas, exchange information and discuss things to come to an innovative solution beneficial to all. Conflicts arise when employees feel neglected and are not allowed to speak their minds. People crib amongst themselves when queries remain unattended leading to severe demotivation. A constructive culture encourages discussions and exchange of ideas amongst employees. Constructive culture motivates the employees and eventually extracts the best out of them. The key features of a constructive culture are:

Achievement: A constructive culture helps the employees to achieve the targets within the stipulated time frame.

Self-Actualizing: In this kind of culture, an employee stays motivated and realizes his full potential.

Encouragement: A Constructive culture encourages employees to deliver their level best and strive hard for furthering the image of the organization.

Affiliative: The employees avoid conflicts and unnecessary disputes and promote a positive ambience at the workplace.

Passive Culture:-the employees behave in a way contrary to the way they feel is correct and should be the ideal way. In a passive culture, the main motive of the employee is to please the superiors and make his position safe and secure in the organization. In such a culture, employees unhappily adhere to the guidelines and follow the rules and regulations just to save their job. The characteristics of a passive culture are:

Approval: In such a culture employees can't take decisions on their own. They need to take their boss's approval before implementing any idea.

Conventional: Employees are bound by rules and regulations of the organization and act according to the prescribed standards only.

Dependent: In such a culture, the performance of the employees is dependent on the superior's decisions and they blindly follow their boss's orders.

Avoidance: Employees tend to avoid their own personal interests, satisfaction and simply act according to the company's policies.

Aggressive Culture:-Organizations following an aggressive culture promote competition amongst the employees. They encourage the employees to compete against each other so that each one performs better than his fellow worker. In such a culture, employees seeking their colleague's assistance are often called as incompetent employees. Every individual vies for power, attention and strive hard to win appreciation. The key features of such a culture are: Opposition, Power, Perfectionist and Competitive.

Source: <http://www.managementstudyguide.com/robert-a-cook-model.htm>

2.4.4. Hofstede's Model of Organizational Culture

Proposed that national and regional factors contribute to the culture of the organization and eventually influence the behavior of employees in the organization. According to Hofstede there are majorly five factors which influence the culture of the workplace.

Power Distance:- refers to the differences in the work culture as per the power delegated to the employees. There are some organizations which believe in appointing team leaders or team managers who are responsible for their respective teams and have the challenge of extracting the best out of the members. The team members also have to respect their team leaders and work as per their orders and advice.

Masculinity vs. Felinity: - refers to the effect of differences in male and female values on the culture of the organization. Organizations where male employees dominate their female counterparts will follow different policies as compared to organizations where females have a major say in the decision making process of the organization. Male employees would be more aggressive as compared to the females who would be more caring and softhearted. The responsibilities also vary as per the sex of the employees. The female employees are never assigned something which requires late sittings or frequent travelling.

Individualism:-There are some organizations which strongly rely on team work. Here individuals with a common interest come together and work in unison as a team. These organizations believe that the output is always more when individuals exchange their ideas, discuss things among themselves to come out with innovative ideas. In such a scenario the employees share a healthy relationship and take each other's help when required.

Uncertainty Avoidance Index:-refers to a culture where employees know how to respond to unusual and unforeseen circumstances. It deals with the tolerance level of the employees in both comfortable and uncomfortable situations. Organizations try hard to avoid such situations and also prepare the employees to adjust well in all conditions.

Long Term Orientation:-There are some organizations which focus on long term relationship with the employees. In such organizations people have a steady approach and

strive hard to live up to the expectations of the management. Employees get attached to the organization and do not look at short term objectives. On the contrary, some organizations have employees who are more concerned with their position and image. They follow a culture where people move on in a short span of time and nothing is done to retain them. The employees are concerned only with their profits and targets and leave as and when they get a better opportunity. Source: <http://www.managementstudyguide.com/hofstede's-model.htm>

2.4.5. Denison Model of Organizational Culture

This model was developed by Daniel R. Denison and William S. Neale after twenty years of research of thousands of companies (Kraljevic et al., 2011). Denison and Neale (2011) identifies four cultural traits Adaptability, Involvement, Consistency, and Mission. These underlying traits are expressed in terms of a set of managerial practices and measured using the twelve indices that make up the model.

Adaptability the first organizational culture traits depicts the ability of the organization in translating the demands of the business environment into action through creating change, customer focus and organizational learning environment. It deals with translating the demands of the business environment into action. Organizations hold a system of norms and beliefs that support the organization's capacity to receive, interpret, and translate signals from its environment into internal behavioral changes that increase its chances for survival, growth and development.

The indices of the adaptability trait are: creating change, customer focus and organizational learning. Creating change deals with the ability of organization to create adaptive ways to meet changing needs. So organization will be able to read the business environment, quickly react to current trends, and anticipate future changes. Customer focus is the second indices which focus on the organization understanding and reaction to its customer and anticipation to future needs. Lastly, organizational learning reflected when on organization receives, translates, and interprets signals from the environment into opportunities for encouraging innovation, gaining knowledge and developing capabilities.

Involvement is the second organizational trait which ensures the participation of employees in decision making; it also relies on team effort to get work done and continual investment in the development of employee's skills. In other words, involvement is building human capability, ownership, and responsibility. Thus, organizational cultures characterized as "highly involved" strongly encourage employee involvement, and create a sense of ownership and responsibility. They rely on informal, voluntary, and implied control systems, rather than formal, explicit, bureaucratic control systems.

The indices of the involvement trait are: empowerment, team orientation, and capability development. First empowerment deals with individuals' authority, initiative and ability to manage their own work. Team Orientation stress on working cooperatively toward common goals for which all employees feels mutually accountable. Finally, capability development explains the organization continually invests in the development of employees' skill in order to stay competitive and meet ongoing business needs.

Consistency is the third trait which emphasizes on maintenance of the status quo by being well coordinated and well integrated also the organization devises clear agreement about the right way and the wrong way to do things.

In addition, consistency deals with defining the values and systems that are the basis of a strong culture. It also provides a central source of integration, coordination and control. Consistent organizations develop a mindset and a set of organizational systems that create an internal system of governance based on consensual support also has clear set of do's and don'ts.

Coordination and integration, agreement and core values are indices of the consistency trait. Accordingly, coordination and integration clarify ability of different functions and units of the organization to work together well to achieve common goals. Organizational boundaries do not interfere with getting work done. The second indices is agreement in which is underlying level of agreement and the ability to reconcile differences when they occur. The last one core values stress in which members of the organization share a set of values that create a sense of identity and a clear set of expectations

Mission involves defining a meaningful long-term direction for the organization. A mission provides purpose and meaning by defining a social role and external goals for the organization. It provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. A sense of mission allows an organization to shape current behavior by envisioning a desired future state.

Strategic direction, vision and intent, goals and objectives are the indices of the mission trait. Thus, strategic direction and intent deals with clear strategic intentions convey the organization's purpose and make it clear how everyone can contribute. The second indices, goals and objectives, stress on a clear set of goals and objectives can be linked to the mission, vision, and strategy, and provide everyone with a clear direction in their work. Finally, vision ensures that organization has a shared view of a desired future state. It embodies core values and captures the hearts and minds of the organization's people, while providing guidance and direction.

2.5 Conceptual Definition of Employee commitment

Organizational commitment is a topic which emerged from the seeking of effective and efficient organizations and which is based on human and human relations. Researchers (Allen & Meyer, 1990; Balay, 2000; Mowday, Steers & Porter, 1979; Ozbakir, 2015; Sharma, Mohapatra & Rai, 2013 etc.) have done many researches recently on this concept which is reflecting the employee's attitudes and behaviors towards the organization, occupation, union, friend, etc. Organizational commitment has been one of the most important concepts in the field of organizational psychology and behavior especially since 1970s. Thus, the value of this concept, as one of the fundamental variables of the success of the organization, has increased day by day. According to Ozalp & Kirel(2013), commitment is in fact the key variable for the success of the organization. Hence, organizational commitment has, as one of the concepts among the concepts of management attracting attention almost the most, occupied both the hearts and the brains.

Daniel and Jardon (2015) and Alas and Mousa (2016) point out that the earliest study on organizational commitment focused on addressing employees' emotional ties to his/ her

organization. Moreover, the concept has expanded to include all employees' employer relationships (Abidin,Muda,Hasan,&Salleh,2010).That's why many managerial fields such as organization behavior, leadership and human resources management devote significant space to examining this concept and its consequences (Fry,2003;Ahiauzu&Asawo,2012). Organizational commitment is a psychological bond between employees and their workplace by manifesting affirmative intent (Haque & Yamoah, 2014).

2.5.1 Development of Eemployees' commitment

Organizational commitment: In 1960, the USA witnesses a large debate about why corporate managers share emotional bonds with their workplaces while university professors do not (Staw, 2007;included in Smith & Hitt, 2007). This debate was the real starting point for all following discourse about organizational commitment. Gouldner (1958) has made a distinction between cosmopolitans whose level of organizational loyalty is low while their level of commitment to their role skills is high, and local organizational members whose level of organizational loyalty is high while their level of commitment to role skills is low. Etzioni (1961) introduces three types of organizational member's involvement:

Moral: reflects members' positive attitudes towards their organization because of the belief of its values and objectives.

Calculative: reflects members' mutual exchangeable relationship with their organization. They give something in return for some rewards such as salary.

Alignative: reflects members' negative attitudes towards their organization because of the constraints (e.g., stress, work overloads, inequality, etc.) they face.

Since this time, employees' commitment to their organization has been devoted a great attention not only in the field of organizational behavior but also in human resources management, leadership and strategic management (Meyer & Allen, 1991).

In 1982, Mowday, Porter and Steers made the calculative perspective on commitment which indicates that employee's continuance of his membership within his organization depends

mostly on the costs and benefits of leaving it. Meyer and Allen (1991) Commitment is “a psychological state that (a) characterizes the employee’s relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization”. Meyer and Herscovitch (2001) “Commitment is a force that binds an individual to a course of action of relevance to one or more targets”. Pool and Pool (2007) “Organizational commitment reflects the extent an individual identifies with an organization and committed to its organizational goals”. Aydin et al. (2011) “Organizational commitment is a definite desire to maintain organizational membership, identification with the purposes, successes of organization, the loyalty of an employee, and a willingness to exert considerable effort on behalf of the organization”.

2.5.2 Organizational commitment dimension

Organizational commitment is a multidimensional construct of psychological state that describes an employee’s relationship with his or her organization that has implication on employee’s decision to remain or leave the organization (Meyer & Allen, 1991). According to Robbins and Judge (2008), the Commitment of the organization is the circumstance in which the employee sided with a particular organization and its goals and wishes to retain the members of the organization. Thus, high involvement of workers means the existence of certain individuals, while high organizational commitment among the organizations that recruit them. The most focused models used to explain organizational commitment are the Three Dimensional Organizational Commitment Model of Meyer and Allen and the Organizational Commitment Model of Mowday and his associates. Meyer and Allen (1991) separated organizational commitment into three dimensions:

Affective Commitment: Tufail & Naveed (2012) define affective commitment as an emotional bond that connects the employee with the Organization, which centered around the acceptance of the organization's goals and values, and then the desire to duplicate the effort on behalf of the Organization, and the desire to perpetuate this association with the organization. Chen et al. (2012) believes that affective commitment expresses the strength of an emotional association that connects employee with the Organization, in addition to participating in the organization. Joarder et al. (2011) refer that affective commitment is the more powerful

dimension in terms of predicting positive organizational outcomes, including the intention to leave (Alniaçik et al., 2013). The reason for this is because the affective commitment affects both the Continuance and normative commitment, and therefore it is the most influential dimension in organizational commitment (Malik et al., 2010).

Continuance Commitment: Continuance commitment refers to the costs of leaving the Organization, whether actual or perceived costs (Tufail & Naveed, 2012). And it is not related to affective bond, but to the risks to stay in or leave the Organization, if the risks of leaving work more compared with costs to remain in the Organization, the employee then chooses to remain in the Organization (Meyer & Allen, 1997). Therefore, the continuance commitment is formed according to the impressions of the employee towards the costs and rewards obtained as a result of its commitment to the Organization (Smeenck et al., 2006) . It can be said that continuance commitment is related to the degree of employees' commitment in terms of staying in the organization regardless of cost to stay in organization (Chen et al., 2012).

Accordingly, Sharma and Sinha (2015) maintain that an increase in an employee's age and tenure within organizations raises his or her perceived cost of leaving it. Employees may also think about their pension, knowledge, job security, and unused vacations upon considering the decision to leave their jobs

Normative Commitment: This reflects an employee's obligation to stay in his organization (Bryant et al., 2007). Organizational culture, rewards, punishments, and employee autonomy play a vital role in deciding the level of normative commitment (Meyer& Allen, 1997; Chang, 2002; Haar & Spell, 2004; & Sharma &Sinha, 2015). Abu Sneineh (2013) notes that normative commitment expresses a sense of employee commitment toward organization, and this kind of loyalty can be enhanced by allowing employee to interact positively in the manner of work implementation and setting goals, planning and policy making for the organization. Weng et al. (2010) adds that the employee who enjoys a high level of normative commitment prefers staying in the organization, because he believed that ethical duty makes him do it, and that comes from the desire to serve organization that gave him a lot of advantages and benefits. In other words, the employee feeling thanks to the organization is the motive that he not leave the Organization (Chen et al., 2012).

2.6 Research findings on effect of Organizational Culture Organizational Commitment

2.6.1 Involvement and Employee Commitment

Mersen B.(2016) finding shows that involvement has moderate level of correlation with employee commitment, which means that employees are committed to their organizations when they are involved in decision making and also sense of ownership result a greater commitment to the organization. Furthermore, teamwork, investment to develop the skills of employees, room to receive inputs from organizational members enhances both implementation process and employee commitment. Similarly, found of that involvement and employees commitments significantly relationship like: (Saadat, Marjani& Momeni(2012), (Ghorbanhosseini 2013), (Nikpour A. 2017) and (Mashithoh& Sunarsih,2016)

2.6.2 Consistency and employee commitment

Consistency doesn't have significant effect on employee commitment. Hence, as much as organizations try to maintain a strong culture by being highly consistent, well-coordinated, and well integrated; this does not have significant contribution to the level of employee commitment (Mersen B.2016).

To the contrary, research finding by Mousa M. (2017) consistency tends to be the most influential trait in terms of normative commitment. Stability (consistency) the most powerful in shaping the organizational culture variable Hakim, (2015).It means that, cultural values that received the most attention in the activities of the organization, which emphasizes the maintenance of the status quo as a contrast to the growth will have positive effect on organizational commitment.

2.6.3. Adaptability and Employee Commitment

According to Masouleh and Allahyari (2017), found focus on the relationship between organizational culture and commitment among faculty members of Islamic Azad University, Rasht, Iran. Based on the results, the Islamic Azad University of Rasht Branch possesses an

average organizational culture and needs to improve. Adoptability factor has the highest factor loading and an important role in organizational culture improvement. Organizational commitment in the university earned a more than average scale and has an acceptable level. Affective commitment has the highest factor loading. Finding to these results from organizational culture and commitment as well as the correlation between these two variables, it can be said that the establishment of the favorable organizational culture in the research population and the resulting increase in their commitment requires that the authorities and managers use new features of the organizational culture and improve it among their people. Owing to the low level of organizational culture and moderate level of organizational commitment in the current research, some strategies are suggested:

- Pay attention to the growth, development and learning of the staff and push them to do group work.
- Monitor the employees in the performance of their duties by means of authority and discretion.
- Pay attention to job satisfaction, superior's satisfaction, co-workers satisfaction and pay satisfaction as well as employees' satisfaction with managers and authorities.

2.6.4. Mission and employee commitment

According to Mersan B. (2016) to internalize and identify with an organizational mission contributes to both short and long term commitment of employees to the organization. Similarly, found of that mission and employees commitments significantly relationship like: (Saadat, Marjani& Momeni(2012), (Ghorbanhosseini 2013), (Nikpour A. 2017) and (Mashithoh& Sunarsih,2016).Meresan B, (2016) concluded that the more the organization adapt to changing circumstances the more employees are committed to organization. Thus, employees believe that the organization ability to respond to internal customers regardless of department/ section has effect on their commitment.

2.7 Research Hypothesis

The researcher developed the following research hypothesis based on the problem statement and reviewed literature:

H01: Involvement does not have a significant effect on employees' commitment.

H02: Consistency does not have a significant effect on employees' commitment.

H03: Adaptability does not have a significant effect on employees' commitment.

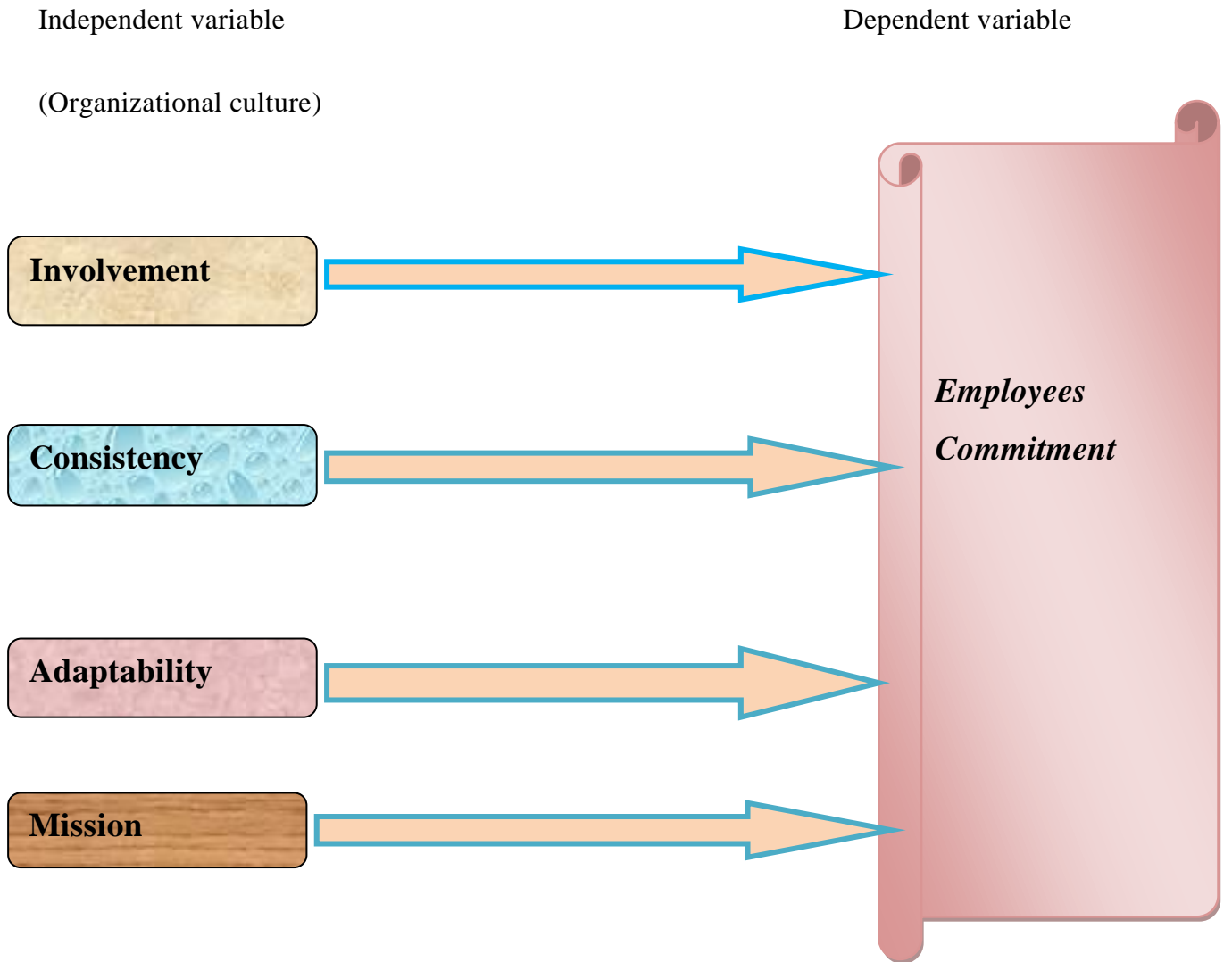
H04: Mission does not have a significant effect on employees' commitment.

H05: Organizational culture does not have a significant effect on employees' commitment.

2.8 Conceptual Framework

Conceptual framework is a scheme of concept (variables) which the researcher operationalizes in order to achieve the set objectives.(Mugenda & Mugenda, 2003). The conceptual framework below illustrates the relationship between the independent variables: Involvement Consistency, Adaptability, Mission Trait developed by Denison and Neale (2011) and their effect on the dependent variable: employees' commitment has three constructs namely, affective, continuance and normative.

Fig2.1 conceptual framework



Source: Adopted from literature review

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

Method is “...the techniques and procedures used to obtain and analyze research data, including questionnaires, observations, interviews, and statistical and non-statistical techniques”(Saunders, Lewis and Thornhill ,2009).This chapter presents the research design, research approach, research strategy, sampling design, target population, sampling size determination, sampling technique, sources of data; research instrument, questionnaire design, data analysis procedure, validity of the questionnaire, reliability of the questionnaire and reliability analysis.

3.2. Research Approach

According to Kothari (2004) the two basic approaches to research are quantitative approach and qualitative approach. Quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Qualitative approach on the other hand is concerned with subjective assessment of attitudes, opinions and behavior. For this study quantitative research approach was followed to investigate the effect organizational culture has on employees commitment, as quantitative technique helps to explore ,present , describe and examine relationships and trends within data and as it also helps to collect results in numerical and standardized data (Saunders, Lewis and Thorhill,2009).

3.3. Research Design

Research design is the blue print for fulfilling research objectives and answering questions (Cooper and Schindler, 2006).it can be categorized into three exploratory research, descriptive research and causal or explanatory research (Saunders, Lewis and Thorhill, 2009). Exploratory research studies aims to formulate a problem for more precise investigation, emphasis on the discovery of ideas and insights. And descriptive studies are those studies which are concerned with describing the characteristics of a particular individual, or of a

group. Causal or explanatory researches are those where the researcher tests the hypotheses of causal relationships between variables. Explanatory research design emphasizes on studying a situation or a problem in order to explain the relationship between variables (Saunders, Lewis and Thorhill, 2009). Therefore, as the aim of this study was to assess the causal relationship between organizational culture and employees' commitment the study has followed explanatory research design.

3.4. Research strategy

The research strategy is a general plan of how the research questions are answered by the researcher. The different strategies are experiment, survey, case study, action research, grounded theory, ethnography and archival research (Saunders et al, 2009). The choice of strategy is guided by the research questions. For a particular study Surveys was as allows the collection of a large amount of data from a sizeable population in a highly economical way. Often obtained by using a questionnaire administered to a sample, these data are standardized, allowing easy comparison. In addition, the survey strategy is perceived as authoritative by people in general and is both comparatively easy to explain and to understand. The survey strategy allows you to collect quantitative data which you can analyze quantitatively using descriptive and inferential statistics. Using a survey strategy should give you more control over the research process and, when sampling is used, it is possible to generate findings that are representative of the whole population at a lower cost than collecting the data for the whole population (Saunders, Lewis and Thorhill, 2009).

3.5. Sampling Design

3.5.1. Target Population

A population is the total collection of elements about which inferences are made and refers to all possible cases which are of interest for a study (Sekaran, 2008). CBE has 1,160 branches and 32,071 employees throughout the country as of May, 2017; if we have a population dispersed over a wide geographic region, it may be difficult or impossible to take a simple random sample of the units of the study population at random, and because of Logistical difficulties may discourage single-stage random sampling techniques. However, when a list of

clusters of study units is available (e.g., districts, villages or schools) or can be easily compiled, a number of these groupings can be randomly selected (Creswell,2003). CBE employees are located on scattered and dispersed geographical location so it very difficult to take the whole employees as a sample population. In addition, the bank had many branches in the remote area of the country where, there is no network. However the bank has homogeneous and similar structure and for the convenience of the area to collect the questionnaire, the researcher by far limited the target population in to employees of four districts in Addis Ababa city area only (south, north, east, and west districts) it doesn't include outlying branches which are found in selected districts. Therefore the target population for this study consists of 255 city branches with 8623 professional staff working as junior and senior staff including; Branch Manager, Customer service manager, know your customer analyst, chief cashier, Customer Relationship officer, senior customer service officers (cash, and accounts), Customer service officers of CBE.

3.5.2. Sampling Size Determination

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population. Krejcie and Morgan (1970) have published a formula for determining sample size. Formula for determining needed sample size when population size known is the following;

$$S = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

$$n = \frac{1.96^2 (0.5)(.5)(8623)}{0.05^2 (8623 - 1) + 1.96^2 (0.5)(0.5)}$$

$$n = 368$$

Where: **S** = required sample size.

X² = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (.05).

For this study the researcher was used the above formula by considering sampling technique to minimize sampling error and to determine the sample size of 368 from 8623 employees of Addis Ababa city area branches.

3.5.3. Sampling Technique

According to Sekeran (2001) Sample as a portion of the population that has attributes as the entire population As for this study it was assumed that the all branches of CBE operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state, the researcher was used to study stratified sampling technique by select the pertinent sample. Stratified proportionate random sampling technique produce the overall population parameters with greater precision and ensures a more representative sample is derived from a relatively heterogonous population. Denscombe, (2007). From each stratum the study used simple random sampled to select 368 respondents. The technique was the most appropriate in that it allowed the researcher to use statistical methods to analyze sample results.

Table 3.1 Sampling frame

District	Total no employee	Sample size	Percentage
North	2635	118	32.07
South	2007	87	23.64
West	1969	71	19.29
East	2012	92	25.00
Total	8623	368	100%

Source: from Corporate HR transaction management of CBE May, 2017

The distribution of the sample was on the bases of selected branches randomly from each district from the list of employee data by used a lottery system in order to select certain number.

3.6. Sources of Data

Primary data is the data which is gathered for the purpose of the research specifically. To get the information, researcher adopted from previous study and distributed a set of questionnaire. A questionnaire consisting the demographic information, organization culture traits and employees commitments conducted by extracting few established questionnaire. The questionnaire was distributed to Professional Staff of those branches of Addis Ababa area zone to fill up and then was tested using SPSS 20 software. Prior to the data processing, the researcher conducted and based on that minor adjustments were made on the questionnaire.

3.7. Research Instrument

This research project used primary data as the principal source of information. The unit of analysis was each individuals, the researcher was interested to collect data from a population and measuring the perceptions of individuals. Thus, a survey by a questionnaire was considered the most appropriate method for measuring the perceptions of the workers, while minimizing the possibility of researcher bias and providing a greater degree of subjectivity because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner.

3.8. Questionnaire Design

For this research, the questions in the questionnaire were closed-ended or structured in order to ease the process of analyzing the data from respondents. There are various instruments prior scholar used for measuring organizational culture, including the Survey of Work Values (SWV; Wollack et al., 1971), the Meaning and Value of Work Scale Values (Kazanas, 1978), the Organizational Values Congruence Scale (Enz, 1986), the Comparative Emphasis Scale (Meglino, Ravlin, & Adkins, 1989), the Organizational Culture Profile (OCP; O'Reilly et al., 1991); Cameron and Quinn (2011); But for this particular study, a scale developed by Denison

and Neale (2011) four cultural traits Involvement, Consistency, Adaptability and Mission used. And Smeenk et al. (2006), organizational commitment can be measured by a number of different scales (e.g. Cook and Wall, 1980; Penley and Gould, 1988; Porter et al.,1974),but this research was measure by three dimensions, namely: continuance commitment, normative commitment and affective commitment (Allen and Mayer, 1990 in Darmawan, 2013).The questionnaire was consists of three sections, section one was designed to collect respondent's demographic information, and in section two, it consists of questions about the organization culture and section three consists of questions related to employees' commitment. Questions related with demographic information will be designed by simple English to reduce misunderstanding and uncertainties on the questions by the respondents. The questionnaire leads to a better understanding towards the organization culture and employees commitment in CBE. The researcher was approach the bank personally; and explains to employees about the purpose of the study.

3.9. Data Analysis Procedure

The data analyses included a profile of the respondents, preliminary data analyses and hypothesis tests. The response rate and an illustration of the respondents were first provided, followed by the preliminary data analyses. The preliminary analyses are essential because they can ensure that the multivariate methods chosen are applied in appropriate situations (Hair et al., 2010). They also lend credibility to all subsequent analyses and increase accuracy in the results (Sekaran, 2003).The analytical process in this initial stage provided descriptive statistics of mean and standard deviation, with descriptive statistics for each of the statements to describe the responses. The hypothesis test included assessing reliability and validity of measurement scales and testing the hypotheses involving the relationships between organizational culture and employees' commitment. The reliability and validity of the interval-scaled measure items can ensure that the items indeed measure the constructs they are supposed to and measure them accurately (Sekaran, 2003).

According to Hair et al. (2010) factor analysis is a multivariate statistical technique that is used to summarize information contained in a large number of variables into a smaller number of subsets or factors. The purpose of factor analysis is to simplify the data and detect structure in the

relationship between variables. With factor analysis, there is no distinction between dependent and independent variables, rather, all variables under investigation are analyzed together to study underlying variables. The regression analysis was used to investigate the relationship between organizational culture and employees' commitment. The multiple regression analysis was the main technique used to examine the relationships between the organizational culture and employees' commitment for the case CBE for this research. The multiple regressions are a suggested technique which is widely used to analyze the relationships between a single dependent variable and a set of independent variables (Hair et al., 2010). It is a statistical tool that is usually used when both the dependent and independent variables are metric (Hair et al., 2010).

3.9.1. Model Specification

Model specification can be defined as the exercise of formally stating a model i.e. the explicit translation of theory into mathematical equations and involves using all the available relevant theory research and information and developing a theoretical model. The following model was proposed for the purpose of running multiple linear regressions that is necessarily to test the effects and statistical significance of organization culture on employees' commitment.

Research Model,

$$\check{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_7 X_7 + \epsilon_i$$

Where: \check{Y} = Dependent variable (organization commitment)

α = constant

β = (Beta value) coefficient of slope of regression model

X_1 = Involvement

X_2 = Consistency

X_3 = Adaptability

X_4 = Mission

ϵ_i = error term

Additionally, to test the significance of the overall effect of organizational culture on employees' commitment the researcher used simple regression analysis.

3.10 .Validity of the Questionnaire

One way to try to ensure that measurement error is kept to a minimum is to determine properties of the measure that give us confidence. The first property is validity, which is whether an instrument actually measures what it sets out to measure. Validity refers to whether an instrument measures what it was designed to measure;

Hair et al. (2007) defined the validity as “the degree to which a measure accurately represents what is supposed to”. Validity is concerned with how well the concepts are defined by the measure(s). It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. However, an instrument cannot measure the attribute of interest if it is unpredictable, inconsistent, and inaccurate.

According to Leary (2004) mentioned about four types of validity: Internal validity, External validity, construct validity, and Statistical conclusion validity.

Internal Validity: is how the findings of the research match reality and as the researcher measure the things that are aimed to measure. Moreover, the reality in quantitative research is an ongoing processes, it always changes due to the fact that what is being studied is how people understand the job. The other measure of internal validity is whether the finding is baseless or not. Therefore, the finding in this specific study is strongly supported by the reality in the context and the general theory in the field, even though factors such as context and methodology employed have shaped the result.

External Validity: It refers to whether the observed associations can be generalized from the sample to the population, or to other people, organizations, contexts, or time (Leary, 2004). The more representative, the more confident we can be in generalizing from the sample to the population. As for this study it was assumed that all branches of CBE operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state, addresses external validity through taking

representative samples and can be generalized to all branches of CBE over the country and give a little insight to other private banks in Ethiopia. Moreover, since the unit of analysis is individuals in organization, population validity is realized.

Construct Validity: It examines how well a given measurement scale is measuring the theoretical construct that it is expected to measure. It can be classified as face validity and content validity. Face validity refers to is whether the instrument is measuring what it claims to measure. We use content validity when we want to find out if the entire content of the behavior/ construct/ area is represented in the test. We compare the test task with the content of the behavior. This is a logical, not an empirical one. Many constructs in social science research such as empathy, resistance to change, and organizational learning are difficult to define, much less measure. We can also assess the degree to which individual items represent the construct being measured, and cover the full range of the construct (content validity). In this study, the researcher tried to address the construct validity through defining clearly the construct of interest and develop valid measures that operationalize defined constructs. Moreover, addresses through the review of literature and adapting instruments used in previous research.

Statistical Conclusion Validity: It examines the extent to which conclusions derived using a statistical procedure is valid. Because qualitative research designs do not employ statistical test, statistical conclusion validity is not applicable. Since this specific study is quantitative it is worthy full to consider the issue of statistical conclusion validity. This type of validity is addressed through selection of the right statistical method used for hypotheses testing.

3.10.1. Reliability of the Questionnaire

Validity is a necessary but not sufficient condition of a measure. A second consideration is reliability, which is the ability of the measure to produce the same results under the same conditions. To be valid the instrument must first be reliable. The easiest way to assess reliability is to test the same group of people twice: a reliable instrument will produce similar scores at both points in time (test–retest reliability).

Reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings (Easterby-Smith *et al.* 2008). Reliability differs from validity in that it relates not to what should be measured, but instead to how it is measured. Hair et al. (2007) defines reliability as the extents to which a variable or a set of variables is consistent in what it is intended to measure. To ensure the inner consistency of the present instrument, the researcher used the cronbach's alpha coefficient. Developed by Lee Cronbach in 1951, the cronbach's alpha coefficient is a statistical tool that evaluates the confidentiality through the inner consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of an instrument use the same measurement scale. The cronbach's alpha is obtained by the variance of individual components and by the variance of the components sum of each evaluated, aiming to investigate the possible relations between the items. This way, the variance used at cronbach's coefficients calculus is: the number of question of the instrument (K), the variance of each question (S_i^2), and the total variance of the instrument (S_t^2).

Table 3.2 Reliability Analysis

Reliability analysis for organization culture and employees commitment

Variables	Cronbach's Alpha	Cronbach's Alpha based on Standardized item	N of Items
Involvement	.801	.801	9
Consistency	.740	.736	9
Adaptability	.817	.817	9
Mission	.774	.774	9
Employees Commitment	.840	.844	18

Source: Own Survey, computed in SPSS, 2018

From the above result the overall Cronobach's Alpha value of the dependent and independent variables in this study has fulfilled the minimum requirement of a reliability indicator (i.e. Cronobach's Alpha > .70). The pilot test result of reliability and validity was strong

CHAPTE FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETAION

4.1 Introduction

This chapter contains data presentation, analysis, interpretation and discussion on findings under each presentation, aimed at achieving the research objective. In this regard, the chapter discusses the response rate; the reliability analysis scores of the instrument employed in this research; the result of tests of assumptions; descriptive analysis on both dependent and independent variables; inferential analysis which is performed for investigating relationship of variables and influence of independent variable over dependent variable were assessed. And finally summary of hypotheses testing is presented.

A total of 368 questionnaires were distributed out of which 350 (95.1%) were responded, while 18 (4.9%) questionnaires were not returned from respondents. Therefore, 350 questionnaires served as a source of data for analysis, findings presentation and drawing conclusions.

4.1.1. Demographic Profile of Respondents

This section presents a descriptive analysis of the personal profile of the respondents of Commercial bank of Ethiopia. The personal profile includes the gender, age, education level, marital status, years of experience in the present bank, and member of promotion received. The demographic characteristics of those respondents are summarized in the following section

Table 4.1 Demographic information of the respondents

Gender		<i>Frequenc</i>	<i>Percent</i>
1	Male	244	69.7
Age(in years)			
2	18-25	105	30
	26-35	214	61.1
Education Level			
3	Certificate	3	0.9
	Diploma	11	3.1
Marital Status			
4	Single	266	76
	Married	80	22.9
Experience(in years)			
5	1-5	242	69.1
	6-10	92	26.3
Promotion received			
6	Only one	118	33.7
	Twice	94	26.9
	Three times	59	16.9

Source: Own Survey, computed in SPSS, 2018

As shown in the above table 4.1 regarding to gender category, the almost two third of the respondents, 244 (69.7%) are male, and 106(30.3 %) are female. The respondents' age groups were categorized into four groups. The first group ranges between 18-25 years, the second is 26-35 years, the third is 36-45years, and the last age group ranges between over 45. The

results showed that 30% of the respondents were between the ages of 18-25, followed by 61.1% of the respondents who were between the age of 26-35 years, 8.6% were between the age of 36-45 years, and finally those who were over 45 years accounted for a tiny 0.3%. Moreover, When looking at the educational qualification of respondents, the highest number of respondent, 252 (72%) have first Degree followed by 84(24%) master’s Degree holders, 11 (3.1%) are Diploma holders and 3(0.9) certificate. Therefore, it is possible to say that academically, majority of respondents, this implies more than 96% of sample respondents hold First Degree and above. With regard the marital status, the results indicated that 76% of the respondents were single while 22.9% were married. Those who were divorced accounted for 1.1%.The descriptive data analysis of experience levels of the respondents in their present banks showed that 69.1% had less than 5 years of experience with their current banks, followed by 26.3% with 6 to 10 years, 3.4% with 11 to 20 years and finally 1.1% with 21 to 25 years of experience. Regarding promotion received 118(33.7%) only one times, followed by94 (26.9%) two times, 59(16.9%) three times,44(12.6%) four times and finally 35(10%) above five time. so CBE promotion received at all slow.

4.2 Descriptive analysis on organizational culture measure

Table 4.2.1 Effect of involvement culture trait on employees’ commitments

<i>Involvement culture</i>	Mean	Standard deviation
Empowerment	4.40	0.47
Team orientation	4.36	0.44
Capability development	4.45	0.49

Source: Own Survey, computed in SPSS, 2018

From the research findings the study established that majority of the respondents agreed that Team Orientation should be considered as the first option, since it is clearly best to ensure employees commitment if possible as shown by a mean of 4.36 and a standard deviation of 0.44. Empowerment of the employees first will ensure that their responses are aimed for the same goal as shown by a mean of 4.40 and a standard deviation of 0.47 and ultimately capability development will also help in ensuring effective employees commitment since

cultivating a culture of involvement among employees is very important as shown by a mean of 4.45 and a standard deviation of 0.49. In general capability development is higher than empowerment, this can be an indication that the organization does not entrust capable employees with important decision making that impact their work.

Table 4.2.2 Effect of Consistency culture trait on employees' commitment

<i>Consistency culture</i>	<i>Mean</i>	<i>Standard deviation</i>
Core values	3.74	1.18
Agreement	3.31	1.21
Coordination and Integration	3.21	1.04

Source: Own Survey, computed in SPSS, 2018

The above table sought that majority of the respondents agreed that Coordination and Integration is a key trait in affecting employees commitment and should be of paramount consideration as shown by a mean of 3.21 and a standard deviation of 1.04. Agreement between employees is also an important factor to be considered in ensuring effective employees commitment as shown by a mean of 3.31 and a standard deviation of 1.21 and Core Values as shown by a mean of 3.74 and a standard deviation of 1.18. Finally when agreement is lower than core values and coordination, this tends to indicate that the organization may have good intentions, but may become unglued when conflict or differing opinions arise.

Table 4.2.3 Effect of Adaptability culture trait on employees' commitment

<i>Adaptability culture</i>	<i>Mean</i>	<i>Standard deviation</i>
Creating Change	4.12	1.14
Customer focus	3.54	1.11
Organizational Learning	3.34	0.72

Source: Own Survey, computed in SPSS, 2018

The above table sought that majority of the respondents agreed that Organizational Learning is a key adaptability culture trait on employees commitment as shown by a mean of 3.34 and a standard deviation of 0.72. Customer Focus by the organization is also important in ensuring fruitful employees commitment as shown by a mean of 3.54 and a standard deviation of 1.11 and lastly Creating Change in the organization is also important as this will ensure new methods adopted thus resulting to effective employees commitment as shown by a mean of 4.12 and a standard deviation of 1.14. when customer focus is higher than creating change and organizational learning, this signifies that the organization may be good at meeting customer demands currently, but is unlikely to be planning for future customer requirements or leading customers to what they may want in the future

Table 4.2.4 Effect of Mission culture trait on employees' commitment

<i>Mission culture</i>	<i>Mean</i>	<i>Standard Deviation</i>
Strategic Direction and Intent	3.34	0.70
Goals and objectives	3.56	0.81
Vision	4.12	1.15

Source: Own Survey, computed in SPSS, 2018

Finally the above table sought that majority of the respondents agreed that the organization's strategic intent is a major concern in ensuring effective commitment by employees as a mean of 3.34 and a standard deviation of 0.70, taking into account Goals and Objectives to be achieved by a mean of 3.56 and a standard deviation of 0.78 and utmost the management should monitor its employees so as to ensure its Vision is achieved in the long run as shown by a mean of 4.14 and a standard deviation of 1.14, the above findings concurs with the findings by (Denison & Neale, 1996). According to Denison & Neale (1996), when strategic direction, intent and vision are higher than goals and objectives, this indicates that the organization may have a difficult time executing or operationalizing its mission. There may be brilliant visionaries who have a difficult time translating dreams into reality. When goals and objectives are higher than strategic direction, intent and vision, this often indicates that the organization

is good at execution but lacks a real sense of direction, purpose or long-range planning. The focus is usually a short term, bottom-line focus with little forward planning.

Table 4.3 Descriptive Analysis on Employees Commitment Measures

Variables	Mean	Std. deviation
<i>Affective Commitment</i>	2.84	1.36
<i>Continuance Commitment</i>	2.63	1.25
<i>Normative Commitment</i>	2.81	1.35

Source: Own Survey, computed in SPSS, 2018

The above table shows at the mean of affective commitment 2.84 and standard deviation 1.36 followed *continuance commitment mean 2.63 & standard deviation 1.25 then normative commitment means 2.81 and standard deviation 1.35.*

4.3. Correlation Analysis

A correlation analysis was conducted to establish the relationship between the independent and dependent variables; this helped to test the hypotheses of the study and show the degree of relationship between the independent and dependent variables. The purpose of doing correlations was to allow the study to make a prediction on how a variable deviates from the normal. Pearson *r* was used to determine if there was a significant, positive association between each independent variable and employee's commitment. Pearson *r* is a measure of the degree of association between two variables which are both measured in either the interval or ratio scale. Its value ranges from -1.0 to +1.0, with bigger absolute values indicating stronger relationship; the sign denotes the direction of association. A positive correlation indicates that as one variable increases, the other also goes up; meanwhile a negative correlation suggests that as one variable increases, the other correspondingly goes down (Saunders et.al, 2009).

The following values were used as a guide when interpreting data (Hussey & Hussey, 1997).

Table 4.4: Guideline on Strength of relationship

R Value	Interpretation
0.39 and below	Low positive association
04 to 0.69	Moderate positive association
0.7 to 0.99	A high positive association

4.3.1 Relationship between organizational culture employees commitment

To test the hypotheses the researcher uses the following pearson correlation matrix

Table 4.5 Correlation

	1	2	3	4	5
1.Involvement	1				
2.Consistency	.818** .001	1			
3.Adaptability	.851** .000	.280** .000	1		
4.Mission	.887** .000	.339** .000	.860** .000	1	
5.Commitment	.661** .000	.263** .000	.668** .000	.680** .000	1

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

Source: Own Survey, computed in SPSS, 2018

The above table explains the relationship between the overall organizational culture and employees' commitments. Based on the output of the correlation matrix; the correlation between the main research variable (OC and EC), there is statistically significant (sig.level $p < 0.001$) and OC variables such as involvement coefficient sought that moderate but positive association between EC ($r = 0.661, p < 0.001$), Adaptability is moderate positive association between EC ($r = 0.668, p < 0.001$), mission also moderate positive association with EC ($r = 0.668, p < 0.001$) and moreover, consistency coefficient sought that is weak but positive association between EC ($r = 0.263, p < 0.001$). In general positive correlation coefficient that means all organizational culture variables direct relationship with the employees' commitments (as one goes up, the other goes up). Therefore the null hypothesis is rejected at < 0.001 significance level.

4.4. Factor analysis

The factor analysis is a multivariate statistical technique that is used to summarize information contained in a large number of variables into a smaller number of subsets or factors (Hair et al., 2010). Factor analysis is defined by Mugenda and Mugenda (2003) as a powerful statistical procedure often used to validate hypothetical constructs. It attempts to cluster those indicators or characteristics that seem to correlate highly with each other. Factor analysis was used to determine correlations among culture and employees commitment variables in order to eliminate traits that may be highly correlated to ensure validity of the variables, as well as reducing the data into relevant number of factors to enable further analyses.

4.4.1 Exploratory Factor Analysis (EFA)

Exploratory factor analysis is a group of extraction and rotation techniques that are all designed to model unobserved or latent constructs. (EFA) is a statistical tool used for many purposes. It has since served as a general-purpose dimension reduction tool with many applications. In the modern social sciences it is often used to explore the psychometric properties of an instrument or scale. Exploratory factor analysis examines all the pairwise relationships between individual variables (e.g., items on a scale) and seeks to extract latent factors from the measured variables (Osborne, J. W, 2014). EFA was first conducted on a pre-

selected set of measures derived from the literature. By explaining the pattern of correlations between a set of observed variables, factor analysis help in revealing underlying factors and assist in identifying what the factors represent conceptually. The analysis was performed using SPSS 20 based on the principal components factoring method with varimax rotation on the correlations of the observed variables.

Kaiser Meyer Olkin (KMO) and Bartlett’s Test (measures the strength of relationship among the variables)

The KMO measures the sampling adequacy (which determines if the responses given with the sample are adequate or not) which should be close than 0.5 for a satisfactory factor analysis to proceed. Kaiser (1974) recommend 0.5 (value for KMO) as minimum (barely accepted), values between 0.7-0.8 acceptable, and values above 0.9 are superb. Show at the table below, the KMO measure is 0.637, which is close of 0.7 and therefore can be acceptable.

Table 4.6 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.637
Approx. Chi-Square	8223.097
Bartlett’s Test of Sphericity Df	1431
Sig.	.000

Source: Own Survey, computed in SPSS, 2018

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, which measures whether the distribution of values is adequate to conduct EFA, was 0.637. Tabachnick and Fidell (2007)’s test of sphericity was significant (8223.097, $p < .05$). Therefore, the researcher is confident that factor analysis was appropriate. Bartlett’s test is another indication of the strength of the relationship among variables. This tests the null hypothesis that the correlation matrix is an identity matrix. But significance value is less than 0.05. This implies that correlation matrix is not an identity matrix.

Table 4.7 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation sums of Squared Loadings		
	Total	% of variance	% Cumulative	Total	% of variance	% Cumulative	Total	% of variance	%Cumulative
C-1	7.367	13.643	13.643	7.367	13.643	13.643	4.377	8.105	8.105
C-5	2.100	3.890	35.716	2.100	3.890	35.716	2.646	4.900	29.074
C-10	1.405	2.601	51.386	1.405	2.601	51.386	1.715	3.176	47.626
C-15	1.165	2.157	62.977	1.165	2.157	62.977	1.432	2.653	61.573
C-18	1.036	1.918	68.837	1.036	1.918	68.837	1.240	2.296	68.837

Extraction Method: Principal Component Analysis.

Source: Own Survey, computed in SPSS, 2018

The above table show initial Eigenvalues - first 18 factors are meaningful as they have Eigenvalues > 1. Factors 1, 2 and up to 18 explain 13.64%, 7.83% and ... 1.92% of the variance respectively a cumulative total of 68.84% (total acceptable). The Extraction Sums of Squared Loadings provides similar information based only on the extracted factors. In general interprets 18 factors (component) cumulative percentage is 68.84 so those eighteen factor explained 68.84% of variance.

4.5 Preliminary Analysis

4.5.1 Normality test

Table 4.8 tests normality

Variables	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Involvement	.201	40	.000	.922	41	.009
Consistency	.331	11	.001	.752	11	.002
Adaptability	.223	23	.004	.906	23	.034
Mission	.247	13	.030	.867	13	.047

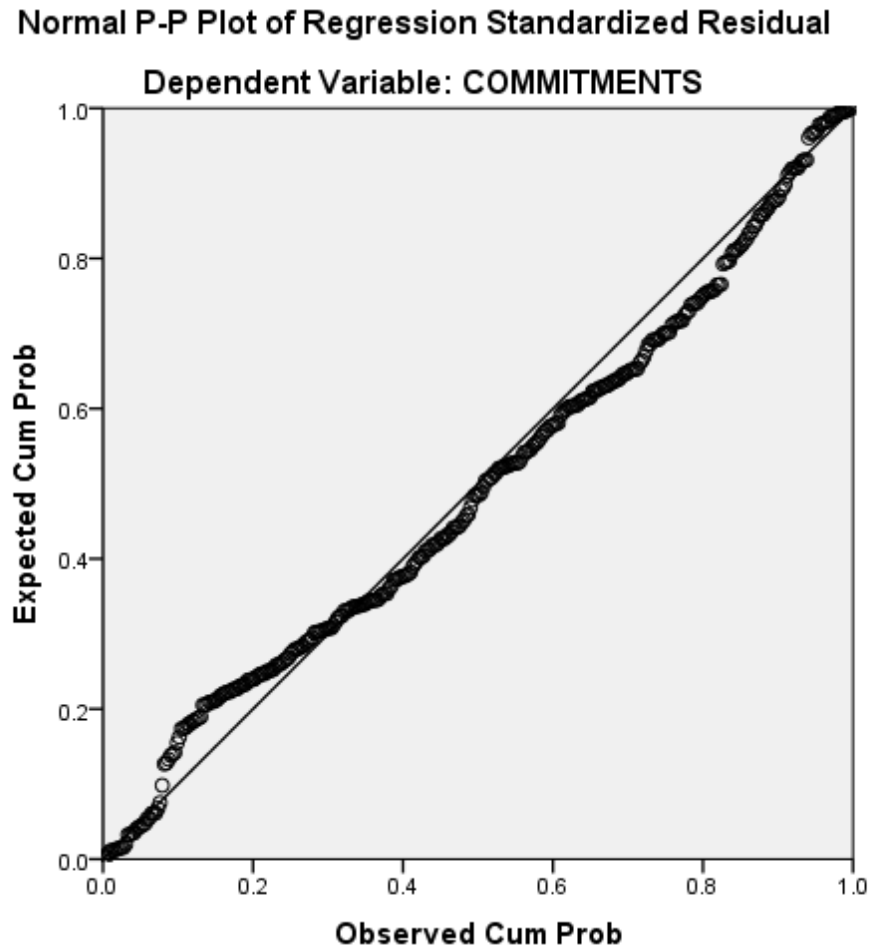
a. Lilliefors Significance Correction

Source: Own survey, computed in SPSS, 2018

The above table presents the results from two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. We Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples) but can also handle sample sizes as large as 2000. For this reason, we will use the Shapiro-Wilk test as our numerical means of assessing normality. If $p < 0.05$, reject the H_0 because the test is significant. In our survey result $p < 0.05$ due to these we reject H_0 and accept H_A .

4.5.2 Linearity test

If the data are normally distributed then the data points was be close to the diagonal line.



Source: Own survey, computed in SPSS, 2018

Figure 4.2 p-plot graph

4.5.3 Multicollinearity

Multicollinearity occurs when you have two or more independent variables that are highly correlated with each other. This leads to problems with understanding which variable contributes to the explanation of the dependent variable and technical issues in calculating an multiple regression. According to Kennedy (2008) suggests that any correlation coefficient above 0.7 could cause a serious multicollinearity problem led to inefficient estimation and less reliable results. This indicates that there is no consistent argument on the level of correlation that causes multicollinearity. Hence its correlation coefficient above 0.7 could cause a serious multicollinearity problem, therefore from below table 10. There is no multicollinearity effect among indicators of the independent variables of Involvement, Consistency, Adaptability, and Mission. In addition to the above Multi-collinearity is unlikely to be a problem if the tolerance more than 0.2 (Menard, 1995), and VIF should be less than 10 (Myers, 1990). Based on this parameter also Tolerance is more than 0.2, and VIF is also less than 10. Correlation coefficient below 0.9 may not cause serious multicollinearity problem (Hair et al, 2006). Multicollinearity problem exists when the correlation coefficient among variables is greater than 0.75(Malhotra, 2007).

Table 4.9 summary of colinearity test

Model	Collinearity Statistics	
	Tolerance	VIF
Involvement	.368	5.954
Consistency	.811	1.233
Adaptability	.223	4.487
Mission	.254	6.484

a. Dependent Variable: Commitment

Source: Own survey, computed in SPSS, 2018

4.6 Regression Analysis

The regression analysis was conducted to know by how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable explains the dependent variable. Therefore, regression analysis of organizational culture and employees' commitment was conducted the results of the regression analysis are presented as follow and the researcher test the relationship between employee commitment and each independent variable either to confirm or to reject the hypothesis. Nguyen (2009) asserts that regression analyses are performed to predict the relative test of the study hypotheses. Ultimate the researcher analyzes the relationship between employee commitment and organization culture as a complete system the reason why the researcher analyzes the effect of each independent variable and organization culture as a system to employee commitment is to test and understand the strong relationship between each independent variable individually with employees' commitment. According to James & Frank (1985) multiple regression models attempt to determine whether a group of variables together predict a given dependent variable. A multiple regression model separates each individual variable from the rest allowing each to have its own coefficient describing its relationship to the dependent variable. Multiple regression models were used to determine the causal relationship between organizational culture and employees' commitment.

Table 4.10: Multiple Regression result of selected organizational cultures traits and employee commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate	Sig.F Change
1	.706 ^a	.498	.492	.56611	.000

A .Predictors :(constant), Mission, Consistency, Adaptability, Involvement

B. Dependent variable: Commitment

The above table result show data obtained is a great contribution to existing knowledge on this subject matter. Organization culture is positively related to employee’s commitment due to its high correlation value (R) which is 0.706 (70.6%). The result reveals a high degree of dependence of employee’s commitment on organizations culture traits. R2 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 analysis shows, R2 = 0.492 (49.2%), which is a moderate coefficient and clearly implies that 49.2% variation in employees commitment are explained by organization culture. The remaining 50.8 % variation is explained by stochastic error term (e) meaning that 50.8% of changes in (EC) changes are explained by factors that are not explained in the model.

ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	109.617	4	27.404	85.512	.000 ^b
Residual	110.564	345	.320		
Total	220.181	349			

a. Dependent Variable: Commitment

b. predictors :(constant),Mission, Consistency, Adaptability, Involvement

The above ANOVA table shows that the overall multiple linear regression model is significant F statistics shows a value $p = .000$, which is less than $p < 0.05$.this indicate that the model describe the effect of organizational culture on the employees' commitment of Commercial Bank of Ethiopia

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Involvement	.119	.053	.208	2.229	.026
Consistency	.044	.027	.069	1.626	.105
Adaptability	.176	.056	.252	3.116	.005
Mission	.196	.074	.256	2.638	.009

a .Dependent Variable: Commitment

The above table shows that employee commitment is positively associated with OC and examines the most contributing independent variables in the prediction of the dependent variable. Hence, the strength of each independent (predictor) variable influence on the criterion (dependent) variable can be inquired by standardized Beta coefficient. Therefore, the regression coefficient explain the average amount of change in dependent variable that caused by a unit of change in the independent variable. Thus, mission is the most contributing organizational culture traits in the prediction of employee commitment with beta value 0.256, followed by adaptability (B=.252), involvement (B=.208) and consistency (B=.069) that the variables are making significant to the prediction of employee commitment. More, table describes those significance levels of mission, adaptability and involvement as 009, 002, and 026 respectively, which are less than 0.05. This implies that there is statistically significant relationship between them and the employees' commitment. Therefore, the null hypotheses related to mission, adaptability and involvement were rejected, but the above table explains the significant level of consistency is 0.105, which is greater than 0.05. This means its statistically insignificant relationship between employees' commitment and the null hypotheses consistency was accepted.

4.7. Summary of hypotheses testing

Table 4.11 Table Summary of hypotheses

No	Hypotheses	Tests	Result	Implication
H0 ₁	Involvement does not have a significant effect on employees' commitment.	<i>standardized Coefficients</i> ($B=0.208$, $p=0.026$), $P < 0.05$	Reject the null hypothesis	This intimate that involvement had positive effect on employee commitment
H0 ₂	Consistency does not have a significant effect on employees' commitment.	<i>standardized Coefficients</i> ($B=0.069$, $p=0.105$), $P > 0.05$	Accept the null hypothesis	This implies that consistency had insignificant relationship between on employees' commitment.
H0 ₃	Adaptability does not have a significant effect on employees' commitment.	<i>standardized Coefficients</i> ($B=0.252$, $p=0.002$), $P < 0.05$	Reject the null hypothesis	This intimate that adaptability had positive effect on employee commitment
H0 ₄	Mission does not have a significant effect on employees' commitment.	<i>standardized Coefficients</i> ($B=0.256$, $p=0.009$), $P < 0.05$	Reject the null hypothesis	This indicate that mission had positive effect on employee commitment

4.8 Discussions

The aim of this study was to analyze the effect of Organization culture on the employees' commitment in the Commercial Bank of Ethiopia. The result of correlation and regression analysis shows that Involvement, Adaptability and Mission have positive effect on the employees' commitment but Consistence has negative effect on the employees' commitment

According to (Mersen B. 2016), the thesis on the effect of organizational on employees commitment concluded that positive contribution of adaptability, mission and involvement practice to employee commitment. To conclude, consistency effect employees' commitment positively from theoretical perspective; in practical data analysis of this research, the consistency has a negative effect on employees' commitment. Adaptability, mission and involvement have significant and positive relationship with employee commitment. The found of this research the same as with theoretical perspective of adaptability, mission and involvement have positive effect on employees' commitment. In addition that, consistency effect employees' commitment negatively according to the data analysis results.

According to (Nongo and Ikyanyon, 2012) findings who have indicated that employee prefer to be given the freedom to do the job rather than being compelled to do it in a rigid manner thereby consistency has no significant effect to employee commitment. Differ results of previous studies found that there was a significant relationship between all the components of organizational culture including adaptability, involvement, consistency, mission and organizational commitment Saadat, Marjani& Momeni 2012; (Ghorbanhosseini 2013; and Nikpour A. 2017;Mousa M. 2017;Mashithoh& Sunarsih 2016). Whose research finding shows that consistency has significant relationship with organizational commitment, this study found a unlike result. For found that consistency insignificant effect on employee commitment as it is explained by significance level $p>0.05$. This implies that the CBE tries to maintain a strong culture since incredibly consistent, harmonize and well integrated, this doesn't significantly contribute to level of employee commitment.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND IMPLICATONS

5.1. Introduction

This chapter presents summary of the findings, conclusions, and some relevant recommendations to practice, with the researches major contributions, as well as for future researchers based on the objective of the study mentioned in chapter one

5.2. Summary of Findings

The researcher summarized the following based on the research findings

- This research has shown that there is a statistically significant four organizational culture and employee commitment in which $p < 0.05$. Accordingly, null hypotheses related to involvement, adaptability and mission were rejected. To the contrary, null hypotheses which is related with consistency was accepted as significance level is .105 ($p < 0.05$), it also intimate that consistency does not have significant effect on the level of employee commitment.
- Pearson coefficients indicate that all organizational culture traits have a positive correlation with employees' commitment within the range of 0.263 to 0.680, all were significant at $p < 0.01$ level.
- The study found that significant correlation matrix between organization culture and employees commitment. That means an identity matrix is matrix in which all of the diagonal elements are 1 and all off diagonal elements are close to 0 in a good model

5.3 Conclusions

From the findings the study established that involvement culture traits is positively significant to influence overall organization culture thus the study concludes that Involvement Culture traits had positive influence employees commitment concludes that directors, managers, and

employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization. When capability development is higher than empowerment, this can be an indication that the organization does not entrust capable employees with important decision making that impact their work.

Adaptability culture trait can also enable the organization take risks and learn from their mistakes, and have capability and experience at creating change, when customer focus is higher than creating change and organizational learning, this signifies that the organization may be good at meeting customer demands currently, but is unlikely to be planning for future customer requirements or leading customers to what they may want in the future thus the study concludes that risk monitoring has a positive impact on employees commitment. They study further established that creating change positively and customer focus would influence positively employees commitment.

The study ascertained that determining mission first will ensure that responses are aiming for the same goal, and avoid ineffective effort since the focus is usually a short term; bottom-line focus with little forward planning thus the study concludes that mission culture trait had a positive impact employees' commitment of commercial bank of Ethiopia. This concluded that when an organization underlying mission changes, changes also occur in other aspects of the organizations culture.

On the other hand, Consistency Culture construct in this study remained marginally insignificant in predicting employees' commitment. Hypothetically, organizational culture in especially large organizations enhances coordination and mutual bonds among the employees to discharge their functions. This finding can be attributed to employees not being entirely accustomed with how corporate culture facilitates consistency of work and approach in line with the organizational core values. Thus try to maintain a strong culture since incredibly consistent, harmonize and well integrated, this insignificantly contribute to level of employee commitment.

Finally, it can be concluded from the results discussed above that organizational culture plays a significant role in employees' commitment though with varying levels in involvement, adaptability and mission but consistency, insignificant contribution to employee commitment.

5.4 Recommendations

Based on the findings, the study recommends that the management on commercial banks should consider the following points that will help the organization to focus on organizational culture that can largely contribute to the improvement on level of employee commitment

This will allow the management to create a comprehensive understanding that can Adopting involvement culture traits as an organizational culture during employees' commitment be impressing to influence stakeholders and create better decisions.

The study recommends that the management keeps on adapting to change as well as re-assessing the effect and frequency of mitigation measures adopted. This will help to identify whether the adopted counteractive culture are making any acceptable difference. This study recommends that banks should empower employees and reinforce team orientations, embrace integration, co-ordination, organizational learning, agreement and core values and they should also create competence development to promote employee commitment.

It is essential that banks give due consideration to their target market while trying to achieve their mission. The management therefore should aim to obtain an in-depth understanding of the bank's clients, their credentials & their businesses in order to fully know their customers as well as motivate their employees.

The study also recommends that Consistency of work establishes systems of operations aligned to the mission of the organization which in turn builds and embeds a peculiar culture. Culture trait since this will help the organization to maintain valuable information that will provide valuable insights in its operation and the necessary input to find effective responses to optimize employees' commitment.

In general Culture of an organization is neither static nor can it remain in isolation. It is recommended that it must be dynamic and has to interact with external environment. This might result into some unexpected, undesirable changes or turbulence leading to instability. It is this disequilibrium that drives change as organizations seek stability. It is the responsibility of the organization become adaptive and makes the transition supportive so that the ensuing changes are useful to the employees in enhancing their individual commitment.

5.5 Future Research Directions

The sample size of this study was limited to Addis Ababa area, In this regard, to make the conclusion and recommendation more wide and applicable for more organizations, future researches may conduct the research in industry wide or nationwide by increasing the sample size and diversify organization types.

As previously, the study used a cross-sectional design making it impossible to determine causality of the relationships. To address this issue, future research might be able to determine causal relationships using longitudinal data by establishing time sequences and evaluating strength and consistency of relationships being researched.

This research had intended to establish the effect of organizational culture on employees' commitment in selected commercial banks in Ethiopia. Other researcher as a scope for further studies; it is better to add others variable that give influence to the organizational commitment, such as; work achievement, motivation, leadership and others.

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Appendix

Addis Ababa University

College of Business and Economics

MSC in Management Program

Name of student: Abraham Warga

Address: email, abrahamwarga@cbe.com.et

Dear respondents:

This questionnaire is designed to collect primary data used for thesis entitled “the effect of organizational culture on employee’s commitment in Commercial Bank of Ethiopia” The research is conducted as a partial fulfillment of the requirement for the Masters of science degree in management. This study is purely for academic purpose and in no ways affects the respondent personally. It will be kept confidential. So your genuine view, honest & timely responses are very valuable in determining the success of the study. Therefore you are kindly requested to extend your cooperation by frankly providing relevant information.

I thank you in advance for your anticipated cooperation and participation in this study.

PART I: Demographic Information: mark your choices with "✓"

Sex: Male Female

Age: 18-25 26-35 36-45 over 45

Educational status

Certificate Diploma

Degree Masters and above

Marital status

- Single Married Divorce Widow

How many years you are working in the commercial bank of Ethiopia?

- Less than 5 6-10 11 - 15
 16 – 20 21 – 25 Greater than 26

Number of promotions received in CBE _____

Part2: Organizational Culture of Commercial bank of Ethiopia

Please indicate the degree of your agreement/disagreement with the following statements associated with organizational culture **commercial bank of Ethiopia** please complete the following by mark your choices with "✓" in the appropriate box

Traits Of Commercial bank of Ethiopia Organizational Culture		Strongly disagree	Disagree	neutral	Agree	Strongly agree
		1	2	3	4	5
INVOLVEMENT						
<i>Empowerment</i>						
1	Decisions are made at the levels where right information is available					
2	Employees believes that they can have a positive impact					
3	Information is widely shared so the employees can get the information they need					
<i>Team Orientation</i>						
4	Cooperation across different parts of the organization is encouraged					
5	Teamwork is used to get work done, rather than					

6	Employees work like they are part of a team					
	<i>Capability Development</i>					
7	There is a continuous investment to develop the skills of employees					
8	The capabilities of employees are viewed as an important source of competitive advantage					
9	Authority is delegated so that employees can act on their own					
	CONSISTENCY					
	<i>Core Values</i>					
10	Managers “practice what they preach”					
11	There is a consistent set of values that govern the way the bank does business					
12	There is an ethical code that guides employees’ behavior and tells right from wrong					
	<i>Agreement</i>					
13	When disagreements occur, employee work hard to achieve a "win-win"					
14	There is a clear agreement regarding the right way and the wrong way to do things					
15	It is easy to reach consensus, even on conflicting issues					
	<i>Coordination and Integration</i>					
16	Employees from different parts of the organization share common perspective					
17	It is easy to coordinate projects across different parts of the organization					
18	The approach to doing business is very Consistent					
	ADAPTABILITY					

	<i>Creating Change</i>					
19	Improved ways to do work are continually adapted					
20	Different parts of the organization cooperate to create change					
21	Organization respond to competitors actions and other changes in the business environment					
	<i>Customer Focus</i>					
22	Customers comment leads to changes and influences decision making					
23	Employees understand customers wants and needs					
24	Customers inputs directly influences bank's decisions					
	<i>Organizational Learning</i>					
25	Innovations are encouraged					
26	Learning is an important objective in a day-to-day work of the bank.					
27	Organization view failures as an opportunity for learning improvement					
	MISSION					
	<i>Strategic Direction and Intent</i>					
28	There is a clear mission that gives meaning and Direction					
29	Organization strategic direction is clear to me					
30	There is a long-term purpose and direction of the bank.					
	<i>Goals and Objectives</i>					

31	Leaders set goals that are ambitious, but Realistic					
32	Organization continuously track its progress against the stated goals					
33	There is wide spread agreement about the goals of the bank.					
	Vision					
34	Employees have as shared vision of what the bank will look like in the future					
35	Leaders have a long-term view point					
36	Organization vision creates excitement and motivation for employees					

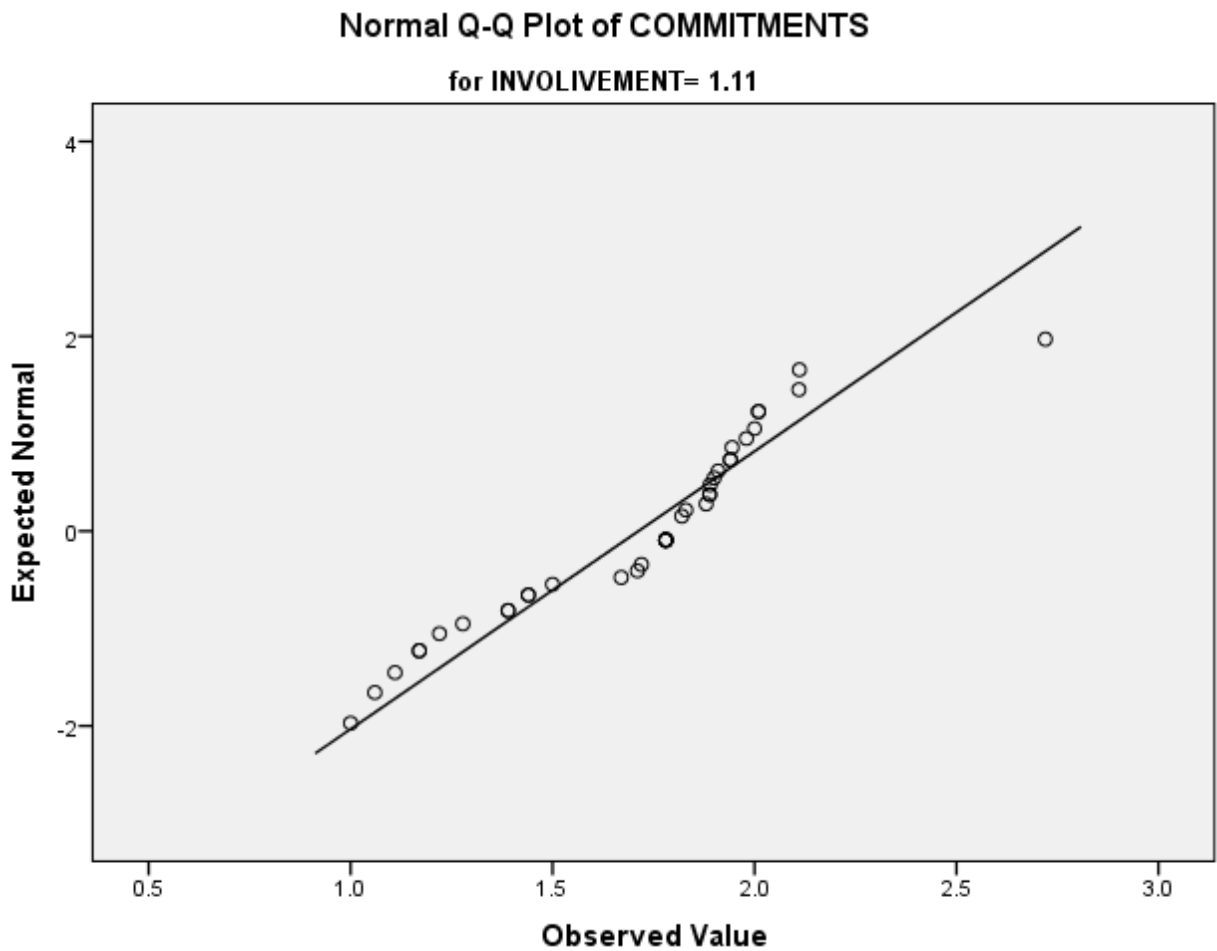
Part 3: Employee commitment

Please indicate the degree of your agreement/disagreement with the following statements associated with the measurement of employees' **commitment** Commercial bank of Ethiopia

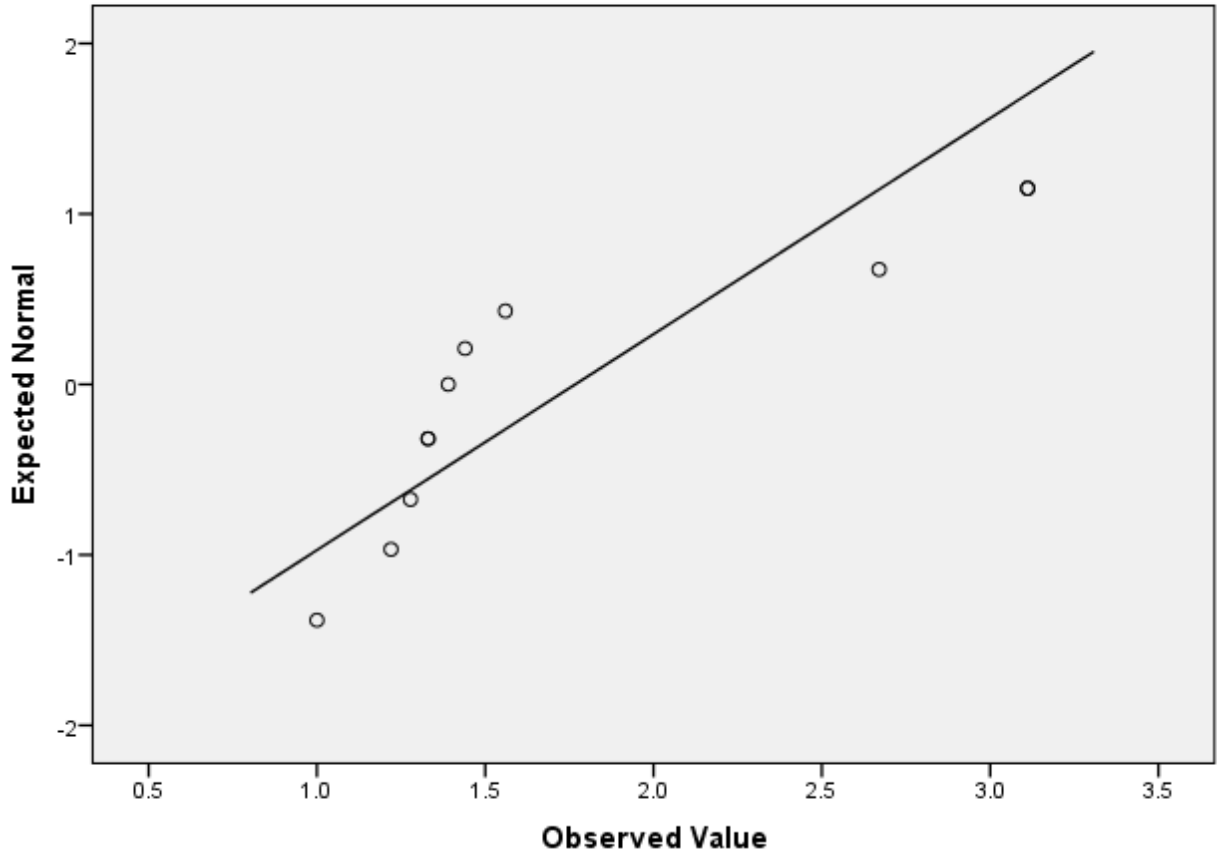
	Employee Commitment	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	I would be very happy to spend the rest of my career in this bank.					
2	I really feel as if this bank problem is my own.					
3	I do not feel like "part of my family" at this bank.					
4	I do not feel 'emotionally attached' to this bank.					
5	This bank has a great deal of personal meaning for					
6	I do not feel a strong sense of belonging to this bank.					
7	I do not feel any obligation to remain with my bank.					
8	Even if it were to my advantage, I do not feel it would be					
9	I would feel guilty if I left his bank now.					
10	This bank deserves my loyalty.					
11	I would not leave my bank right now because of my Sense of obligation to it					
12	I owe a great deal to this bank.					
13	It would be very hard for me to leave my job at this bank right now even if I wanted to					
14	Too much of my life would be disrupted if I leave my bank.					
15	Right now, staying with my job at this bank is a matter of necessity as much as desire					
16	I believe I have too few options to consider leaving this bank.					

17	One of the few negative consequences of leaving my job at this bank would be the scarcity of available alternative elsewhere					
18	One of the major reasons I continue to work for this bank is that leaving would require considerable personal sacrifice					

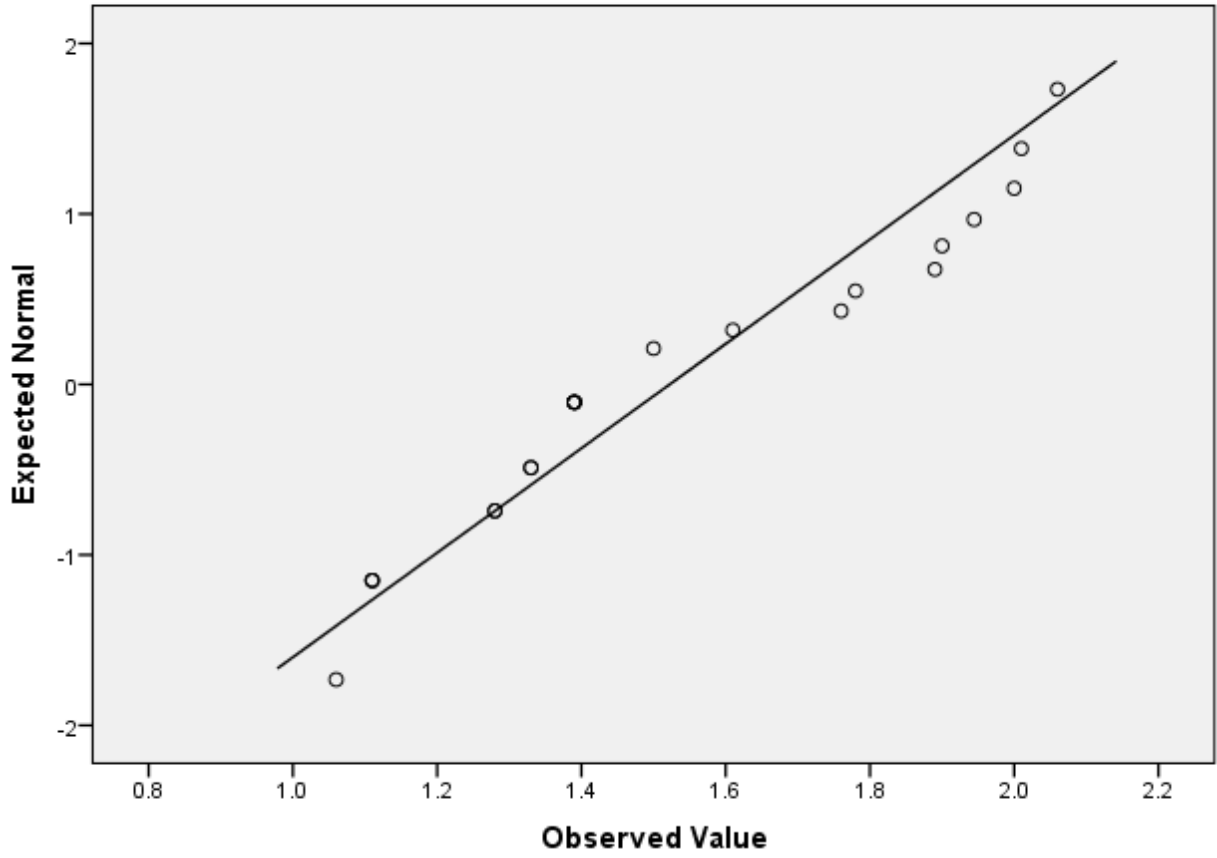
Source: adopted from (Denison and Neale, 201 and Allen and Mayer, 1990)



Normal Q-Q Plot of COMMITMENTS
for CONSISTENCY= 2.00

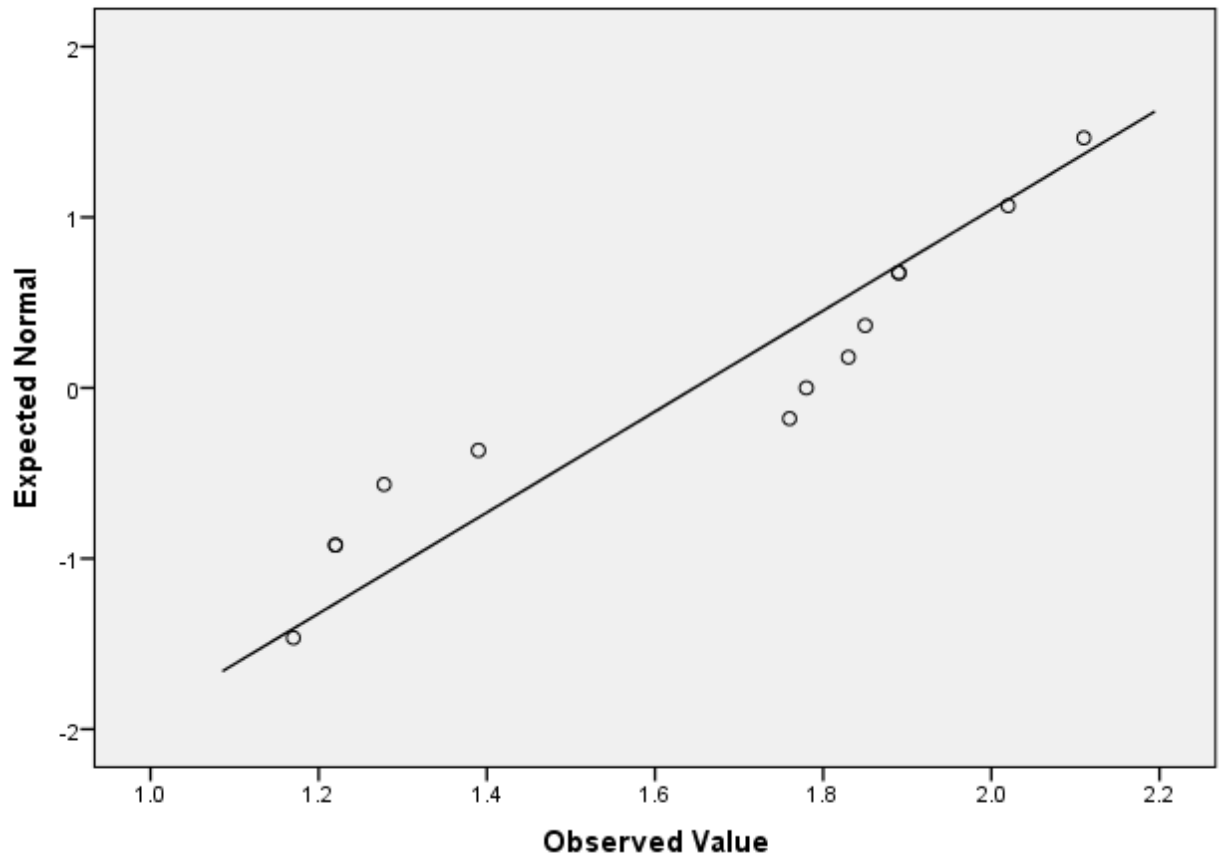


Normal Q-Q Plot of COMMITMENTS
for ADAPTABILITY= 1.78



Normal Q-Q Plot of COMMITMENTS

for MISSIONS= 1.78



Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.367	13.643	13.643	7.367	13.643	13.643	4.377	8.105	8.105
2	4.228	7.830	21.473	4.228	7.830	21.473	3.002	5.560	13.665
3	3.242	6.004	27.477	3.242	6.004	27.477	2.981	5.520	19.185
4	2.349	4.350	31.827	2.349	4.350	31.827	2.694	4.989	24.174
5	2.100	3.890	35.716	2.100	3.890	35.716	2.646	4.900	29.074
6	2.014	3.730	39.446	2.014	3.730	39.446	2.309	4.276	33.350
7	1.873	3.469	42.915	1.873	3.469	42.915	2.115	3.917	37.267
8	1.643	3.043	45.958	1.643	3.043	45.958	1.979	3.665	40.932
9	1.527	2.828	48.785	1.527	2.828	48.785	1.900	3.518	44.450
10	1.405	2.601	51.386	1.405	2.601	51.386	1.715	3.176	47.626
11	1.331	2.465	53.851	1.331	2.465	53.851	1.623	3.005	50.631
12	1.294	2.395	56.246	1.294	2.395	56.246	1.549	2.869	53.500
13	1.251	2.317	58.564	1.251	2.317	58.564	1.491	2.761	56.260
14	1.218	2.256	60.819	1.218	2.256	60.819	1.436	2.660	58.920
15	1.165	2.157	62.977	1.165	2.157	62.977	1.432	2.653	61.573
16	1.077	1.995	64.972	1.077	1.995	64.972	1.413	2.617	64.190
17	1.051	1.947	66.919	1.051	1.947	66.919	1.269	2.351	66.541
18	1.036	1.918	68.837	1.036	1.918	68.837	1.240	2.296	68.837